

Saudi Arabia: a calm oasis in a troubled region, Section IV

No. 29,304

NEWS SUMMARY

BUSINESS

JAPAN's four big securities houses

the six months to March. Page 21

ations are affected; insurance oper-

ations are working normally,

BELGIAN franc was slightly firmer

in the European Monetary System last week and was placed within its

EMS April 19, 1984

GRID

ECU

2 253

Page 18

- Nomura, Daiwa, Yamaichi and

GENERAL

166

Si

MPs will Sears protest Roebuck at Libya profits decision **up 34%**

 Arstwa
 Sch. 18
 indbresse
 Rp 2500
 Portugal
 Esc. 75

 Belgium
 Ban. 1150
 Bah
 1100
 S Arabra
 Ris 508

 Belgium
 Ers. 25
 Bapan
 YS50
 Sergapora
 S 4.10

 Dennaris
 C57.00
 Jotten
 Fits 500
 Some
 Pro 100

 Dennaris
 C67.00
 Jotten
 Fits 500
 Some
 Pro 100

 Dennaris
 C67.20
 Jotten
 Fits 500
 Some
 Pro 100

 Dennaris
 C67.25
 Unserspress
 E1.6.00
 Sn Larks
 Reg 30

 Equation
 Fits 5.00
 Malerso
 Fits 38
 Swetchen
 Sta 6.50

 France
 Fits 6.00
 Malerso
 Reg 4.25
 Switzstand 572.00

 Germany
 DM 2 20
 Marczo
 Pas 300
 Tameris
 No 5852

 Germany
 DM 2 20
 Marczo
 Pas 300
 Tameris
 No 5802

 Germany
 DM 2 20
 Marczo
 Pas 30
 Tameris
 No 5802

 Germany
 DM 2 20
 Marczo
 No 8.00
 Tanetay
 1160

 Gausse
 Dro 59
 Netherbards
 R 2 50
 Tarkey
 1160

 Gausse
 Dro519
 Potopress
 Potopress

The British Government will come SEARS ROEBUCK, biggest U.S. under pressure in Parliament this week to explain why the Libyan People's Bureau in London was al-lowed to function as an embassy, especially after "students" took it over. under pressure in Parliament this general merchandiser, said net week to explain why the Libyan earnings : rose 34 per cent to

It will also face protests from tions, points to the strength of MPs angry that the killer of a po- consumer spending. Page 18 licewoman will go free.

Britain decided to break off diplo-matic relations with Libya and ex-Nikko - returned record parent company turnover and profits for pel the Libyans in the bureau, who said they would leave bours before. next Sunday's deadline. British di-CHARTER, Florida-based group, filed for protection under Chapter 11 of the U.S. bankruptcy code for plomats will be withdrawn from Libya, and Italy is expected to represent British interests there in futhe parent company and a quarter of its 200 subsidiaries. Only oil operture, Page 5

Nigeria crackdown

Nigeria's military Government, in what it termed a "drastic" crackdown on currency smuggling, closed its land borders yesterday and announced it will replace its currency, the naira, an official broadcast said. The currency changeover will start on Wednesday with the withdrawal of 1-20 naira notes and be completed by May

Angola bombing

Over 200 people, mostly Cuban and Soviet advisers and their families, died in a bomb attack on their bostel in Huambo, central Angola, Unita right-wing guerrillas claimed.

Jail chiefs sacked.

The head and deputy head of Spain's top-security Alcala-Meco prison were sacked after three inmates escaped using mock pistols made from soap.

Saudi Minister out

Saudi Health Minister Ghazi Gusaibi, known for his drive against cor-

U.S. export curb proposals draw fire from business

BY NANCY DUNNE IN WASHINGTON

Proposals by the U.S. Commerce Department to tighten its export licensing system have drawn fire from 250 American companies, trade associations and several countries. In comments submitted to the

Commerce Department, U.S. business almost universally condemns Commerce Department approval. One of the harshest indictments the proposed rules. They are de-scribed as "severely damaging" to U.S. exports, "unequivocally disasof the proposed rules was submitted by Mr Edward G Law, director of export regulation at International trous" to the country's economy and likely to "exacerbate the friction" which exists between the U.S. and largest computer company. He warned of severe business losses its major trading partners over exas well as significant administrative costs.

Worst of all, say many compa-nies, the proposed new rules, as well as crippling U.S. competitive-ness, would either duplicate rules Very little evidence bas been forthcoming that distribution licence level products are being dialready in effect or would not be soverted in any quantity at all, let al-lone in sufficient quantity to justify phisticated enough to achieve the aim of preventing the illegal diver-sion of sensitive technology to the such drastic, damaging changes as are proposed," he said.

The proposals would require recipients of U.S. exports to list the The proposed changes were advanced in January by the Com-merce Department, which has been fighting off attempts by the Pentag-on and the Customs service to play larger roles in the export control names and addresses of all customers to whom they expect to sell the .products. The lists would have to be updated quarterly.

For IBM alone, the list would amount to more than 200,000 process. The new rules would affect the issuing of distribution beences, names, said Mr Law. which authorise U.S. exporters to There have already been mis-

make multiple shipments over an conceived allegations in Europe extended period under a single li- that the U.S. licensing process is cence, rather than baving to issue a used to promote the commercial interests of U.S. companies," be said.

licence for each shipment. The regulations also govern the The new proposals would also exre-export of products to countries clude the use of distribution li-other than Nato members, Austral- cences for high-technology items in-

agreement from their own custom-ers not to re-export goods without tribution licences to exporters Commerce Department approval which bave obtained on fewer than 50 licences in the prior year.

NCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Tuesday April 24 1984

Mr Law pointed out that govern ment customers abroad could be lost if they refused to acknowledge Business Machines, the world's the extraterritorial authority asserted by the U.S. over sales of technology and products. Five foreign governments -Sweden, France, Ireland, Austria

and Switzerland - all submitted comments on the proposals, but they requested that they be kept

Currently there are about 700 dis-tribution licence bolders in the U.S., which include some of the largest exporters. The Commerce Department acknowledges that the rules would raise the number of individu-al licences issued yearly from 90,000 to more than 1m.

According to a U.S. electronics company, Computervision, a tenfold increase in licence applications for Western countries could lengthen the waiting time from four to six weeks at present to more than a

The already overburdened licensing system would be so overwhelmed that some observers have suggested that the Commerce De-

Gandhi seeks to widen split in Punjab separatists

By John Ellintt in New Delhi

THE INDIAN Government estimates it will take one to two months to overcome a hard core of 400-500 trained and well-armed Sikh terrorists who are behind most of the recent killings and violence in the northero state of Pun-

Ten people have died in the state in the past three days, bringing the total number of deaths this month to nearly 60. In two separate inci-deots yesterday, an Indian Air For-ce squadron leader was backed to death in hir home in Amirrow the death in his home in Amritsar and six Sikhs were killed by paramili-tary security forces in Ferozepur, one of the most turbulent areas near the Pakistan border.

The situation is the most critical faced by Mrs Indira Gandhi, India's Prime Minister, since she last took office over four years ago. It could affect her chances of winning the general election she must hold by next January. There appears, however, to be oo chance at present of her trying to call a snap election to from 1986. gain a fresh initiative.

The situation is complicated by reactions from Hindus, the religion of the majority in India, to Sikh violence. This may well be sharpened early next month when Punjab Hindus are planning a protest march to New Delhi.

"We should be able to break the back of the hard core within a couple of months or even less," M. M. K. Wali, Secretary of the New Delhi Home Ministry, said yesterday. The Government was trying to strengthen its intelligence operatioo and police morale, to catch and arrest enough of the bard core so that senior extremists leaders such as Sant Jarnail Bbuindranwall, hiding

in the Sikhs Goldeo Temple in Amritsar, could "oo longer be effec-tive." Mr Wali said.

The Government is coming under Increasing pressure to take action to end the disturbances. Mrs Gandmicent, according to senior officials hi said yesterday that informal talks were taking place with moderliberalising the Japanese capital ate Sikh leaders through Intermediaries. Ministers bope that a wideoing split between the militants and moderates over receot terrorist violeoce will eocourage the moderate: centre. to seek a settlement. But they emphasised that such a Mrs Gandhi sought yesterday to move would only be countenanced deflect criticism of ber bandling of in the wider context of the internathe situation by blaming 'ageots working at the bebest of the big sutionalisation of the yen and might bave to take second place to the per powers" for interfering in the Punjab and trying to destabilise the process of gradually removing cootrols from the domestic markets. country.

D 8523 B Korea to open market to

foreign banks

BY ANN CHARTERS IN SEOUL

ing bouse.

guarantees and acceptances.

SOUTH KOREA is to allow foreign sectors of the economy in its sophisbanks to compete on an equal foot- tication. ing with domestic banks on the bome market. The necessary struc-

Kim Mahn-Je, the Finance Minisbome market. The necessary struc-tural changes are to be made gradu-ally beginning this year, the Minis-try of Finance announced at the study for some time. Present conditry of Finance announced at the weekend. strong growth in savings and con-be allowed to join the National Banks Association - a group which confers on regulations and sets commissions and fees and the elect move as "very positive" and "en-lightened." One European banker suggested that the new opportuni-The definition of "capital for forties offered might be more interest-

eign banks will also be broadened, giving them a larger base for their leoding activities and for issuing ing to those banks with a larger presence in South Korea but a U.S. banker thought "imagination, not From oext year branches of for-eign banks will be able to partici-creased competition. size" would determine which banks would take advantage of the in-

pate in trust business and to have The changes are not without local opposition. Although the Governaccess to rediscount facilities at the central bank for export financing. Full rediscount facilities on a par ment bas returned the large, nationwide commercial banks to priwith those offered to domestic vate hands and has interfered less banks are scheduled to be available in their management during the last two years, the banks have be-

South Korea has been under come accustomed to a protected pressure from its trading partners, market.

in particular the U.S., to open its Foreign banking sources, were markets. This move oo the services careful to suggest that although the in particular the U.S., to open its side could remove some of the com- initial brief from the Finance Minisplaints and simultaneously help to try provided a specific timetable, moderoise the Korean banking sys-tem, which bas lagged behind other policies were implemented.

Tokyo offshore finance 'still alive'

BY JUREK MARTIN IN TOKYO

THE IDEA of establishing an off-shore financial facility in Tokyo is lines bad not been expunged from still "alive" but not necessarily im-official consideration.

It may reflect merely a desire by of the Japanese Fioance Ministry. The officials, in analysing the lat-est round of talks with the U.S. on put forward by the U.S. in the three recent bilateral discussions oo remarkets system, suggested that forming the Japanese markets. The "serious consideration" might be U.S. Treasury bas publicly exgiveo oext year to drawing up a pressed its frustrations at what it blueprint of such an offsbore bank- charges is an inadequate Japanese response to its representations Io general, the officials gave little hint yesterday that the reform "package" promised for the end of next mooth would contain substantial concessions to the U.S. point of view They conceded that there bad **Continued on Page 18**



BY TERRY DODSWORTH IN NEW YORK

U.S. INVESTORS went on an un-precedented overseas equity buying ment in U.S. equities far out-spree last year, as their net pur-weighed U.S. activity overseas. the record \$5.8bn set in 1981. Enthu-In the 1970s, foreigners made oet siasm fell off towards the end of the purchases of \$21bn of U.S. equities, while U.S. investors were net buy to mark time, but foreign investors chases of foreign shares shot up to \$3.8bn, about 80 per cent more than the previous high of 52.1bo established in 1980. ers of only \$456m of foreign stocks. still accounted for about 10.5 per The SIA warns that this change in U.S. investor psychology could have a low of the value of shares traded on the New York Stock Exchange, up from 9.8 per cont is 1000 1000 per The UK stock market was the

appointed in October, was dismissed. Page 2

French flight ban

French air traffic controllers will temporarily halt flights from main Paris airports today in protest at Government plans to restrict their right to strike.

Morocco amnestv

King Hassan is expected to proclaim an amnesty this summer for most of the 800 Moroccans jailed for food riots in January.

Bonn draft plan

West Germany will probably extend military service from 15 to 18 months next year, and begin recruiting women troops, to offset the falling number of eligible men, the Defence Ministry said.

Beirut talks falter

A security committee was struggling to keep alive a plan for sepa-rating combatants in Beirot, as consultations on forming a new Lebanese Government cootinned in Beirut and Damascus. Page 2

Camorra men escape

Three leading members of the Camorra - Naples Mafia - who had collaborated with the police escaped from a detention centre after claiming their lives were in danger.

Gunmen kill mayor

Gunmen in the Philippines killed the mayor of Angadanan, 200 miles north of Manila, during Easter Mass - the fourth mayor killed in the run-up to the May 14 parlia-meotary elections.

Death on Everest

Bulgarian climber Hristo Ivanov first man to climb Mount Everest by the west ridge without oxygen. his teammates reported.

this helped to relieve any downward pressure on the weaker members of the system. The lira remained the strongest currency by virtue of its wider divergence allow-

ance, while the D-Mark was again the firmest currency bound by the 2% per cent.limit.

divergence limit. Trading was ex-

tremely quiet ahead of the long weekend. The dollar's firmer trend

tended to depress the D-Mark and

The chart shows the two constraints on European Monetary System ex-change rates. The upper grid, based on the weakest currency in the sys-tem, defines the cross rates from. which no currency (except the Bra) may move more than 24 per cent. The lower chart gives each currency's divergence from its "central rate" against the European Curren-cy Unit (ECU), itself a basket of European currencies

The chart shows the two constraints

WALL STREET: Dow Jones index

was down 5.44 at 1,152.6 before the close. Report, Page 23; Full share listings, Pages 24-26 TOKYO: Nikkei Dow index shed 5.71 to 10.800.78. The Stock Exchange index rose 2.7 to 848.51. Report, Page 23; Leading prices, other

exchanges, Page 26

LONDON and European markets were closed for Easter. **DOLLAR** in New York at hunchtime was DM 2.66125 (DM 2.6645 at Friwas the 10012 (104 2005 at FF day's close), SwFr 2.19525 (SwFr 2.2), FFr 8.18375 (FFr 8.195) and Y224.6 (Y225.05). Sterling was \$1.4175, against \$1.417. Page 34

An industrial dispute in London has prevented the publication of up-to-date London Stock Exchange and Unit Trust prices. Wednesday's

prices, the latest available, were published in Thursday's international edition and in the Saturday edition published from London. The editorial content of today's mternational edition has been restricted because of industrial action by IG Druck und Papier at Frank-

CONTENTS -

furter Societäts-Druckerei, where the edition is printed. This prevents the publication of late-breaking Predanov died after becoming the news, the final Wall Street report and closing U.S. share prices. The crossword appears today on Page 5.

main beneficiary of this buying surge, according to the annual survey of the Securities Industry Association (SIA).

Communist bloc.

Net purchases of UK shares rose from \$218m in 1982 to \$1.13bn about half the \$2.2bn invested in European equity markets. Net acquisitions of Japanese stocks year offset some 70 per cent of the \$1bn. capital inflow directed at U.S. stock doubled from \$479m to \$950m. The interest of U.S. investors in market investment. foreign stock markets has shown a marked increase in the 1980s com-

At \$5.4bn, foreign investment in pared with the previous decade, U.S. equities was almost 40 per cent

up from 9.8 per cent in 1982. have a longer-term impact in reduc-European investors were particuing net capital flows into the U.S. larly active, increasing their net These flows have recently provided some leeway for the financing of purchases by 54 per cent to a record the increasingly unfavourable U.S. \$4bn, with UK purchasers leading trade balance. But the country's ex. at \$1.8bn, followed by the Swiss on \$4bn, with UK purchasers leading penditure on foreign equities last \$1.3bn and the West Germans with

> Tobacco's top two puff on, Page 18;

Wall Street report and prices, Pages 23-27

Industrial finance group seeks stakes in London stockbrokers

BY RAY MAUGHAN IN LONDON

INVESTORS in Industry (3i), which in long-term industrial finance, is m anglerin industria finance, is expects that this will be in the revolution in the next year or so. which is enguling the UK securi-ties industry by offering to take firms bave already forged new alli-stakes in a number of leading Lon-don stockbroking firms. I secured additional source of outside capital to deal in shares Investment will be purely passive

Until last year 3 was known as on a worldwide basis when fixed Finance for Industry. It is owned by commissions are finally abolished. the Bank of England and nine En-Hoare Govett, for example, bas Se-glish and Scottish commercial curity Pacific, the U.S. bank, as a glish and Scottish commercial banks. 29.9 per cent shareholder. Charter Consolidated, the mining finance Eight broking parinerships have Consolidated, the mining finance already been approached by 3i and house, has taken a similar holding

an outline of its proposels to two in Rowe & Pitman. more broking firms bay, been ar-ranged this week. It is hoping to week by Mr David Hopkinson, the Two months later, it was able to had £758m of investments and loans to its company customers. Two months later, it was able to take minority, sleeping partner managing director of M&G, the stakes in a number of firms £2.50n (\$3.5bn) unit trust group, are

These proposals have been set beginning to emerge in the City of out with particular reference to the Londoo concerning the future mar-major changes now expected when ketability of second and third-line the fixed commission structure of shares, traded purely within Brit-London Stock Exchange dealing is ain, and the financial strength of Smith has since welcomed N M broken and the traditional distinc- the stockbroking firms which deal tion between brokers (agents) and in them. jobbers (principals) disappears.

.

Mr Ewan Macpherson, a senior

At present, an outside investor investment manager of 3i, believes claims to be Britain's largest primary take a significant holding in that a number of large, if second-vate sector institution specialising only one stock exchange firm, but 3 tier, broking firms require an injecexpects that this limit will be lifted tioo of outside capital to maintain a

Investment will be purely passive and restricted to within 10 and 20 per ceot of a firm's capital, 3i has stressed. In return, 3i would expect to take a proportion of the issues handled by sponsoring brokers.

At the end of March last year, 3i had £758m of investments and Two months later, it was able to help Smith Brothers, the publicly quoted jobbing firm, to double its capital base by subscribing for new shares in conjunction with a rights issue and by subscribing for £2.5m of fixed-rate convertible paper. Rothschild, the merchant bank, as a big shareholder in the recent round

new securities industry alliances.

World Trade	Kinggoig Enturge	Northern Ireland: hopeful signs for the economy 16 Mozambique: the connection with South Africa 17	Lex: West German equities
15	Management	Jobs: the inefficiency of over-	Direct Marketing: Survey

Although hedged with caution Although she was oot specific, this is the first acknowledgmeot in sbe is believed to have been refer-Continued on Page 18 widely canvassed concept of setting

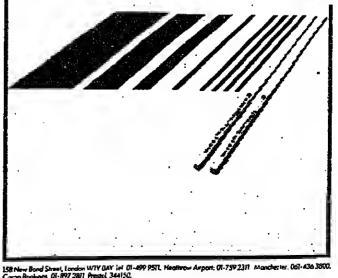
Nakasone's domestic concern, Page 18

AIR FRANCE TO THE FAR EAST: THE BETTER ALTERNATIVE

14

Air France serves eleven destinations in the For East. In fact we fly 6 days a week to Japan and we're the only European corrier to Seoul. Experience the flovour and style of France as soon as you settle inta your seat. In Air France Premiere and Le Club we even treat you to a glass of champagne before take-off. From London and Manchester to Pans, Charles de Goulle Terminal 2 - a terminal designed for quick transit and built exclusively for Air France passengers. Then on to the Far East in the comfort of an Air France Baeing 747. Experience French style to the Far East. Air France. We go a long way to make you leel relaxed.

AIR FRANCE WERE AIMING EVEN HIGHER



.....



new tariff for the output of At independence in 1975, Cabora Bassa bydro electricity dam in Mozambique, putting Mozambique agreed to respect the terms of the agreement the massive project on a viable although it argued that the rate finencial footing for the first time since its commercial operapaid by South Africa was too 10w. tions began in 1978. At the time of its inception The agreement will be the first major economic benefit for the dam also played an import-ant strategie role in Portugal's

Mozambique sioce last mooth's planning for what was then its signing of a non-aggression pact with South Africa. Mr Louis Nel, the South scores of thousands of Portu-African Deputy Foreign Minister, was due back from guese his visit to the Mozamblque capital of Matuto yesterday where he held talks on the dam with Government officials. The dam was built in the 1960s and fnanced mainly by Portugal with the output going to the South African electrical since 1981.

Under the new agreement it is thought that the tariff will

Financial Times Tuesday April 24 1984

N.S.

wis:

Elisik

3.1i.-

Dè≞

प्रार्थ

1.1.1

1

. n. e. .

1.

_....

83

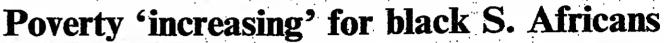
ine-

(

A.,

crackdown on members of the African National Congress (ANC) of South Africa, and is expected to expel ANC members from the country, according to reports from the capital in

Mozambique and South Africa Mbabne. It was disclosed last month are also helleved to be con-sidering a joint protection unit for the lines to protect it against that Swaziland signed e nonaggression pact with South Africa in February, 1982, but until now has tolerated an ANC presence. Over the past 10 days, however, there have been clashes between small ANC bands and Swazi security police. The Swazi authorities have so far arrested about 50 armed insurgents thought to have entered the country from Mozambique, in the wake of the March 16 signing of the latter's non-aggrettion pact with Pre-



BY OUR IOHANNESBURG CORRESPONDENT

tween 1960 and 1980, despite "real improvements" in injust society. The 300 papers presented by comes in the country's homea range of contributors from economists to doctors, lawyers lands, delegates to an inquiry on poverty in the Republic were told here. and social workers, represents the most exhaustive assessment

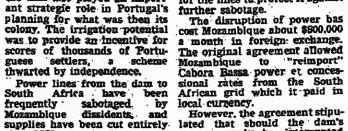
The week-long conference sponsored by the Carnegie Foundation of the U.S., ended on Friday with a call for radical changes in influx con-trol, citizenship provisions and the most exhaustive assessment of powerty in the country since the first Carnegie inquiry 50 years ago, when commissioners investigated the poor white phenomenon of the time. The work of the second inquiry house in April 1092

land tenure. In an eddress to the elosing and the findings presented this session. Prof Francis Wilson of Cape Town University, director the next two years.

Saudi Arabian Minister for Health dismissed

ARABIA'S Health touched off a round of specula-Minister, Dr Ghazi Gusaibi, has tion among Arab diplomats in been relieved of his post, the Guif. He was regarded as according to a royal decree the most powerful figure in the Dr Ghazi Gusaibi assumed the the King himself, Crown Prince

Minister.



year.

However, the agreement stipu-lated that should the dam's power supply be interrupted Mozamibque's Imports of South African electricity, would have

A paper on income distribu-tion and poverty in South Africa's 10 bleck homelands by Dr Charles Simkins, an

economist at the University of Cape Town, provoked the most

Contrary to conventional

wisdom it revealed: "Wide-spread and real substantial

with 20 per cent in 1980. On the other hand, it said,

proportion of destitute house-

dam's initial cost but Mozam-bique officials say that the new tariff will provide the country

with up to U.S.\$15m (£10.6m) a

The study showed that the number of people receiving vir-tually no income had risen from 250,000 in 1960 to 1.43m in 1980. Those existing below the mini-mum living level had nearly doubled, from 4.9m to 8.9m over the same period. Of South Africa's population of 30m, 22m are bleck.

spread and real substantial improvement in income (in the homelands) since 1960 and par-ticularly since 1970." Almost no homeland families, the paper said, achieved the minimum living level in 1960, compared with 20 way out in 1960. Joh prospects for the homelands were poor, said Dr Wilson. The upsurge of local employ-ment in the mining industry, which eccompanied the fail in recruitment of foreign labour, had reached its limit and so there has been a rise in the probably had the creation of a proportion of destitute house- new black civil aervice in the homelands.

Lebanon factions struggle to keep truce plan alive

BY NORA BOUSTANY IN BEIRUT

CONSULTATIONS OVER the lars on the other. formation of a new Lebanese Former Prime Minister Government continued in Rashid Karami, a Sunni Moslem Damascus and Beirut yesterday, from the northern town of from the northern town of Tripoli, met with Syrian Fresi-dent Hafez Assad in Damascus yesterday. Mr Karami who while the multi-faction security committee- scrambled to keep alive a disengagement plan for the separation of combatants. Residents reported some shelling of east Beirit, after a dispute arose over the evacua-tion of some key positions strad-

yesterday, Mr Karami who headed the Council of Ministers in 1975, when the Lebanese civil war broke out, is tipped to head the new Cabinet, Mr Walid Jumblatt, the Druze leader, and tion of some key positions strad. Jumblait, the Druze feader, and diling the Green Line dividing Mr Neblb Berri, the Amal the Christian, and Moslen leeder, elso took part in the halves of the capital. A special security committee Efforts to create e new gor-grouping representatives of the erment have gained momen Lebanese Army, the Christian tun. following the samut militals known as the Leba- meeting between Mr Assad and nese Forces, the mainly Druze. President Amin Gemayel of Progressive Socialist Party and Lebanon last week. A relative the Moslem Shiite Amal Move- relaxation of security condi-ment met yesterday to iron out tions in Beirut followed the Mr Neblb Berri, the Amal leeder, elso took part in the talks.

Everyday, JAL Executive Class adds to the comfort of travellers flying to the Far East.

Luxurious comfort. Graceful Japanese hospitality. A separate cabin behind First Class. More room to stretch out and relax.

JAL EXECUTIVE CLASS

service in JAL Executive Class. Seating is only 8-abreast. Seat pitch is increased to 37 inches. Seats recline to 37° Comfort is the word-with G-inch arnirests, even a footrest to relax you.

It's all part of the sumptions

A 'welcome' glass of champagne is waiting for you on board. In-flight service offers you separate hors d'ocuvres, followed by a choice of superb meals served on chinaware. Linew mapkins and tablecloths add to the style. There's also complimentary bar service and in-flight entertainment.

Enjoy it all on our B747s flying daily from Heathrow ouc-ston to Takvo.

With our exclusive Japanese hospitality. JAL Executive Class sets a new standard for long-distance travel.



comes at wage earners' house-

holds tin 1982, they advanced

Recovery in the corporate

sector came somewhat earlier

than that in the household

sector. Capital Investment

decreased 2.8 per cent from a

year earlier in the first quarter

of 1983, but rose by 4.8 per cent

in the tourth quarter. Orders

for machinery (private; exclu-

sive of orders for ships and

those placed by electric utili-

liest increased t.t per cent, a

reversal from a 3.8 per cent

In the meantime, prices ex-hibited unprecedented slability.

Wholesale prices were off 2.2

per cent, the first drop in five

years, on account of the cut of

crude oil prices and the in-

fluence of the correction of the

yen's weakness. Consumer prices advanced 1.9 per cent,

These trends in the economy

Seasonally adjusted produc-

tion incrased 0.7 per cent from

the preceding month in January. Compared with the

year-earlier level, it rose 10.0

per cent, the first two-digit in-

crease io about four years. In

addition to strong production of

capital goods due to booming

exports and recovery of capital

im estment, producers' goods

and consumer durables are also picking up. By contrast,

weakness of personel consump

tion, housing and public works investment is keeping produc-

tion of non-dureble consumer

goods and construction

Production as a whole is ex-

pected to maintain its current

uptrend in the months ahead.

Exports dependent on U.S.

Exports continue to boom.

The seasonelly edjusted

customs statistics for January

recorded an increase of 1.9 per

cent in dollar velue and 3.7 per

cent in volume from the

preceding month. Compared

with the year-earlier level, the

increase was 10.6 per cent end

materials lackluster at best.

have been maintained into 1984.

the smallest in 24 years.

Production maiotains

by 4.3 per cent).

drop in 1982.

npirend





BY KATHY EVANS IN DUBAL

post in October, having for-France rebuffs -.

merly held the portfolio of industry and electricity. His dismissal from the cebinet

Japan's Major Economic Indicators for 1983 Near-tu-vear changes! (%)

Export Yolume Annual Aeal consume

Abdullah and two of the King's full brothers - Sukan, Minister of Defence, and Naif, Interior

Council of Ministers apart from

Japan's economy on recovery path led by exports and business investment

early February clarified the

shape of the economy in 1983 In

First of all. mining and

manufacturing production rose

3.6 per cent, demonstrating that 1983 was "a year of recovery" because the per-

formance compared with an in-

crease of 1.0 per cent in 1981 and 0.3 per cent in 1982, Pro-

duction in January of 1983 was

t 5 per cent lower than a year

earlier, but it overtook the

year-earlier level in March and

came 9.6 per cent ahead of the

year-earlier level in December.

This movement served as an

illustration that gains in pro-

duction accelerated as the year

Recovery of production was

accompanied by a decline in

the producers' finished pro-ducts inventory ratio index the

1980 average as 1001 from 103.9

in January to 92.9 in December.

The operating rate index, io the

meantime, rose from 92.1 to

99.2 during the same period.

Overtime in the manufacturing

industry was 9 2 per cent lower than a year earlier in January

but came out 15.5 per cent

ahead in December. Expansion of production was

led by exports, which increased

8.7 per cent in volume. Imports

also started to pick up after

September and reached a level 17.5 per cent higher than a year

earlier in December. For the

year as a whole, however, im-

ports gained a modest 1.2 per

cent. A rapid expansion of ex-

ports and a contrastingly slow

increase io imports left a surplus of \$37.6 billion in the

Irade eccount and \$2t billion in

the current account, both

Domeslic demand lagged

behind exports in recovery. In-

flation-adjusted household con-

sumption expeoditures in-

creased by a mere 0.6 per ceni.

which compared with the 2.7

per cent increase for the

preceding year. Housing starts

also fared poorly, declining 0.8

Stagnant consumption and

housing were basically at-

tribulable to a slow in-

crease-1.3 per cent-m in-

per cent to t,t36,000.

records

went on.

statistical terms.

On March 2, the yen's exchange rate against the dollar shot up from 233 to 228 in thin trading on the New York foreign exchange market, and the following week, the yen soared past 230 in the Tokyo market, too.

The yea's somewhat abrupt strengthening took plece in the absence of changes in fundamental factors diclating the alignment of the two currencies, such as interest rate differentials. But there was a background that made the development look possible at any moment. That was the continuous rise of the German mark against the dollar, io contrast with the stabilized position of the yen against the U.S. currency, namely between 233 and 215.

After hilling bottom on January 9, the mark kept sleadily strengthening against the dollar and, by March t, the day before the yen's sudden rise, it had tirmed up by 9.7 per cent from the low point of January 9. This translated into a decline of 87 per cent in the yen's value against the mark, from ¥82.17 to ¥90.04. It was natural, therefore, that buying torce turned to the yen, which looked relatively undervalued, when the mark's rise had run: its course. If it is assumed that the yen is to rise to its rate visa-vis the mark on January 9 and lbe mark's rate to the dotter is fixed at the level on March 1, the yen's lheoreticat rate to the dollar would be 213.

If the yen's strengthening is in the neighborhood of 220 for the lime being, the Japanese economy will benefit from a resultant further stabilization of prices and improvement of corporate profits. It also with provide greater leewey for the use of the monetary policy to somulate business. Meanwhile, the impact on exports will be reletively slight if the yen does not strengthen past the level of

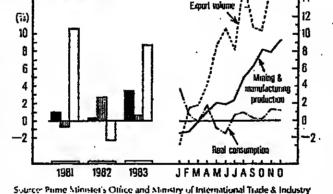
Export-led recovery in 1983 Various economic indicators

announced successively loward the end of January through

London Branch: 4th Floor, P&O Bidg., Leadenhall Street, London EC3V 4PA, England Tel. 01-283-0929 Subsidiary in London: Dai-Ichi Kangyo International Ltd., Garden House, 18 Finsbury Orcus, London EC2M 7BP, England Tel. (01) 920-0181 Associated Companies in London: Associated Japanese Bank (International) Ltd., European Brazilian Bank Ltd., International Mexican Bank Ltd.

Head Office: 1-5. Uchrsaiwaicho (chome, Chryoda-ku, Tokyo 100, Japan Tel. (03) 596-1111 Branches and Agency In: New York, Los Angeles, Chicago, Panama, Disselcon, Taipei Seoul, Singapore Representative Offices in: Housion, San Francisco, Toronto, Sao Paulo, Mexico Cey, Caracas, Buenos Aries, Franklur, Paris, Madind, Behrain, Jakarta, Kusia Lumpur, ranosce, infinitio, aab rating, interes in: Los Angeles, Toronio, Arristendam, Zünch, Hong Kong, Sydney Ase ok, Beying, Sydney Subatidiarites in: Los Angeles, Toronio, Arristendam, Zünch, Hong Kong, Sydney Ase anies in: São Paulo, Hong Kong, Bangkok, Singapore, Kuala Lumpur, Jakarta, Manila, Sydney Bangkok, Beying, Sydney Subaid

É.



11.5 per cent, respectively.

By market, exports to the

United Stales rose particularly

sharply. 34.8 per cent in dolla

value over a year ago. The country accounted for 90 8 per

cent of the increase in Japan's

exports during the month, up

from the comparable percent-

By commodity, office equip-ment, semiconductors and

other electronics products and

videotape recorders increased

sharply following the same

In domestic demand, per-

some signs of recovery io

January. For one thing, the

year-to-year gain of the

monthly average of the out-

standing balance of the Bank of

Japan notes issued broadened

trom 3.5 per cent in November

to 3.8 per cent in December and

to 39 per cent in January.

Likewise, growth of sales at

lerge-scale retail outlets

supermarkets and department

stores) accelerated from an m-

crease of 3.1 per cent in

DKB

lionally cold weather.

Still sluggish personal

trend as last year.

demand

age of 80.1 per cent Inr 1983.

have significant bearings on the level of consumption in the months ahead Housing also continues to be

generally depressed. After temporarily recording a yearto-year increase of 6.9 per cent in December, housing starts dipped again in January, by 11.7 per cent. By contrast, plant and equip-

ment expenditures appear to be steadily strengthening. Shipment of capital goods in non-manufacturing sectors. The Bank of Japan's short-term business outlook survey elso noted widespread moves among smaller enterprises to revise capital investment programs upward. A rise of

December to 47 per cent in January, but this is considered to have reflected a temporery Julure. rise in sales of heating equip-With consumer demand menl and clothing in the midst of heavy snowfall and excep-Consumption stell lacks convincing vigor, and a change m the trend, if any, is expected to come alter the spring wage

Talk it over with DKB.

The international bank

that listens.

We have your interests at heart. DAI-ICHI KANGYO BANK

January showed a strong gain of 2.2 per cent after seasonal adjustment from the preceding month, while the Economic Planning Agency's survey of corporate capital investment conducted io December 19831 revealed that capital spending planned for the first three months of this year exceeds the preceding quarter's level in both the manufacturing and

operating rates and improvement of corporate profits are. also likely to add to the gain in capitet investment in the

unlikely to make env quick recovery and help from government spending almost ruled out, business recovery for the time being will be led by expanding exports and re-covering business investsettlements, which are bound to

The next DKB monthly report will appear May 24.

France to pull its peace-keep-ing troops out of Chad. Col Commenting on Col Gadail's claim that Chad was "an extension" of Libya, the Foreign Ministry in Paris said that French soldiers were in Chad in agreement with the country's government and in compliance with French respect for "the sovereignty and independence of all-countries within their inter-nationally momented haund nationally recognised bound-

Gadaffi on Chad

By David Marsh in Paris

THE FRENCH Government

yesterday delivered a rebuff to Col Muammer Gadaffi over

call at the weekend for

renewed

FINANCIAL TIMES, USPS No 190640 published daily except Sundays and holidays. U.S. subscription rates \$420.00 per annum. Second cless postags paid at New York NY and at additionat mailing officar. POST-MASTER: send address changes to: FINANCIAL TIMES, 14 East 80th Street, New York, NY 40022.

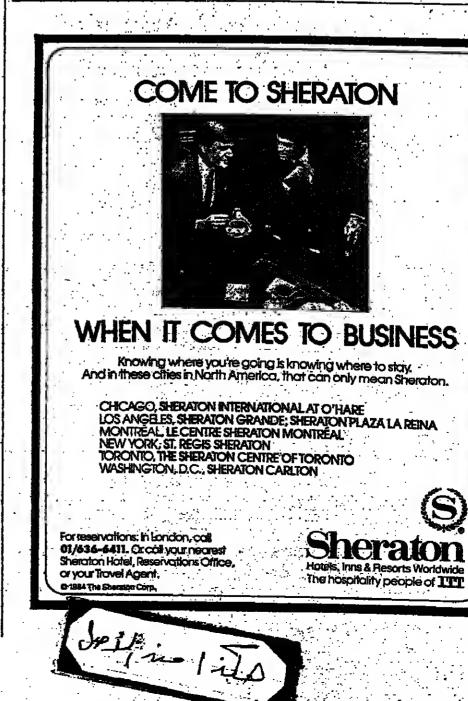
ment met vesterdav to iron out tions in Beirut followed differences over the exact limitations of a buffer zone. Under the disengagement

meeting. The Lebanese Forces have rejected participation in the plan, Lebanese gendarmes and new recruits are to man zones new Cabinet, on grounds that they will never recognise a between Moslem and Druze fighters on one alde and Cbrisgovernment that has been the product of consultations in the tian militiamen and army regu-Syrien capital.

PLO talks on unity end in Algiers

restoring unity to the deeply strategy to clear the way for a divided Palestine Liberation session of the Palestine National divided Palestine Liberation Organisation (PLO) ended in Algiers on Sunday night and a final communique will be issued today, eccording to APS, the Algerian news agency, moni-tored in Paris, Beuter reports. oday, eccording to APS, the Algerian news agency, moni-tored in Paris, Reuter reports. The aim of the talks was to DFLP, led by Nayef Hawatmeh.

FOUR days of talks aimed at find a common platform on PLO Council (parliament-in-exile). The discussions involved Mr Yasser Arafat's mainstream Fatah organisation and two



Warning shots fired

missile base protest

MORE THAN 100,000 West splendid weather, though lower Germans took part in demon-strations over the Easter holi-day to prntest against the deployment of U.S. nuclear missilar in the country

in West German

BY JAMES BUCHAN IN BONN

missiles in the country.

Warning shots were fired by a guard at the U.S. missile base at Mutlangen. in south-west Germany, in the most serious confrontation so far between U.S. servicemen and the West

U.S. servicemen and the West German peace movement.

Three rounds were fired into the air after four demonstra-tors attempted to cut through

the inner perimeter fence to the base, where a first batch of

ninc Persbing 2 ballistic missiles was stationed last November. The four and some 30 other demonstrators were temporarily held by West German police.

The high turnout in the arily beld.

n k

OVERSEAS NEWS

Warsaw Pact SOLDIERS PARADE IN BRASILIA

declaration

welcomed

By Leslie Colitt in Berlin

Alliance's foreign ministers.

Enrope. But this demand, followed a number of concili-

MA

D

COUNTING SYSTEMIS

AC

ELL

EPHON

ATIONS

Ű

FACSII

FOLDING MAILING SYSTEMS

ERTING

S

Brazil deadlock over direct elections

BY ANDREW WHITLEY IN RIO DE JANEIRO

ON THE EVE of tomorrow's of crucial vote in Congress to 1964," referring to the political restore direct general elections turnoil which led to the mili-to Brazil this year, the prospect tary coup d'etat that year, of either a matternal elections BERR Hans Dietrich Gen-scher, the West German scher, the west German Foreign Minister, yesterday welcomed the "constructive basic tone" of the Warsaw Pact declaration issued in Bndapest at the weekend aftar a meeting of the Alliance's foreign minister of either a negotiated solution to the present political impasse or the threat of a military crackdown both hung in the air. A rare military parade soldiers of the Regional Com-mand was held last night, implicitly backing up a warning to the Left when the premises of two Communist weeklies were attacked on Sunday. Alliance's foreign ministers. Herr Genscher said the Warsaw Pact had explicitly picked up a signal given last December by Nato's declara-tion in Brassels. He said that the Budapest communiqué's view that all problems could be solved by negotiations was shared by the Bonn Govern-ment, as was the Pact state-ment that "no chance should remain untested in order to return to the path of negotia-tions."

The five stata governors, who organisation, responsible for the met over the weekend in the blstoric city of Ouro Verde in Minas Gerais state, were Srs Franco, Montoro, Taocredo Figueiredo.

Neves and Jose Richa from the opposition Partido do Movi-mento Democratico Brasiliero, and Sr Roherto Magalbaes and Sr Espiridiao Amin of the officially backed Partido Demo-cratico Social.

Pro-Direct Elections umbrella Congress last week,

opposition's concerted campaign of the bast three months, or by the hardlivers around Presideot

General Octavio Medelros, the national intelligence chief, per-haps the most influential voice in the presidency, said over the weekend that the minimum presidential maodate should be

five years, with no direct elec-tions in Brazil before 1989. This conflicts openly with the Governmeot's proposed constitutional amendment, sent to

investigating allegations that a Bechtel employee bribed South Korean officials between 1978 and 1980, possibly violating the foreign corrupt practices Act. The allegations were made by

Justice Department officials denied that the actions of either defined that the actions of either Mr George Shultz, Secretary of State, or Mr Caspar Wein-berger, Secretary of Defence, were part of the investigation. Both Mr Shultz and Mr Wein-berger were employees of Bechtel at the time Sr Timerman was held for more than two years, between 1977 and 1979, by Argentina's military government witbout

being formally charged. In a The published reports making book he wrote about the experience. Sr Timerman told of torture he suffered in prison the allegations against Bechtel contained no suggestioos that either Mr Shultz or Mr Weinherger knew about the alleged violations of U.S. Jaw.

NERMINE: FOIDINE: MMX

NV010VIS-4

(OVERTICATION SOMETICASION OF A CONTRACT STATEMENT OF A CONTRACT OF A CONTRACT OF A CONTRACT OF A CONTRACT OF A

Meanwhile, s small group of influential state governors from both sides of the political divide bave come forward with a new compromise proposal which could form a credible soldiers of the Regional Com-mand was held last night, implicitly backing up a warning of two Communist weeklies Last week President Joao Flgueiredo warned pollticians

IMF set to review Chile plan

"the dangers of another

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

The Warsaw Pact declara-tion also called for an end to the deployment of medium range U.S. missiles in Western cial bank creditors that it will consider this year's economic programme for formal approval once they bave committed the bulk of the \$780m (£550m) loan Cbile is seeking to cover its atory sounding offers in the Budapest communique. The foreign ministers said they were convinced there was no balance of payments deficit this year.

issue which "could not be solved by negotiations." • Italian Foreign Minister Mr Giulio Andreotti held talks in Moscow with Mr Andrei Gromyko, the Soviet Foreign Minister, yesterday. hoard was postponed earlier IMF, this month following the resign- Ba

THE International Monetary gramme is needed for Chile to Fund has told Chile's commer- make further drawings on the make further drawings on the \$875m loan faci/ty agreed las; year. In a telex to the banks Mr William Dale, deputy managing director of the IMF now says, however, that Sr Luis Escobar,

the new Economy Minister, bas confirmed his commitment to Consideration of the pro-gramme by the IMF's executive year's letter of intent to the

been asked to reply to Chile's loan request by April 27, and it is understood that the loan has to be 90 per cent covered before case against Argentina's former military leaders, Renter reports

gramme has also been delayed by the resignation of Sr Carlos Rodriguez-Pastor as Finance Minister. The IMF bas said it will consider the programme, but it is waiting for Peru to

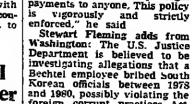
Bechtel denies bribe allegation

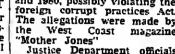
3

BECHTEL, the U.S. construction company, denied yesterday allegations that it had paid large amounts to South Korean officials between 1978 and 1980 to win nuclear plant contracts, Reuter reports from Seoni.

Mr John Robb, vice-president

of Bechtel International based in Seoul, described the allega-tions as extremely serious. "Bechtel's policy regarding ethical business conduct is very clear and prohibits any illegal payments to anyone. This policy is vigorously and strictly





Argentine trial to hear publisher Sr Jacobo Timerman, a former newspaper publisher, said yes-terday he would testify before the supreme military tribunal this week in the human rights

GUARANTEES YOUR

RUN OUT OF POSTAGE.

ILROOM WILL NEV

BY WALTER ELLIS IN AMSTERDAM ANTI-CRUISE missile demonpassed off quietly over the coalition of Christian Demo-Easter weekend. The peace crats and Liherals, movement's momentum has yet Mr Ed Nijpels, the Liberal to build and much larger pro-leader, beads the only large

Easter eggs roll in Dutch

anti-cruise demonstration

several score of their fellows, The number of Dutch was an absolute non-starter, soldiers stationed at Woens-drecht was increased sharply last month following an earlier

protest. A final decision on whether would, however, have to look the Netherlands will accept its for some other way out of their intended consignment of 48 dilemma. cruise weapons is not due to be The Cabinet, he added, taken until June. The issue needed to take a decision and remains extremely divisive, and take it quickly.

a "No" vote could bring down strations in the Netherlands the 18-month-old centre-right

is still a body of opinion to be

Many demonstrators, notably in the Ruhr industrial area,

carried placards protesting against unemployment and for the introduction of a 35-honr

week, which looks set to be fought out through strike action

by the country's largest union, IG Metall, in May.

Except at Mutlangen, the only

serious incidents occurred at Carlstedt, north of Bremen,

where police used water cannon

and tear gas to clear demon-

strators blocking access to a U.S. tank base on Thursday and

Friday. At least six people were injured and 160 tempor-

reckoned with

tests are planned for later in Dutch party which is whole-the year. Dutch party which is whole-beartedly committed to cruise. Yesterday, three demonstra- Tbe Christian Democrats ara tors managed to cut their way badly split and most of the through the perimeter feoce of opposition is against. But even the Woensdrecht air force base, the Liberals are now starting to in the far south of the country, feel the pressure and in a week which has been selected as the end interview Mr Nijpels felt site for cruise deployment in obliged to point out that a the Netberlands. But all they rumour to the effect that the did was to roll Easter eggs Netherlands might be able to down a gentle slope watched by store its missiles in a neigh-

opposed to deployment. They would, however, have to look

De Lorean juggles with drug and bankruptcy trials

BY LOUISE KEHOE IN SAN FRANCISCO

MR JOHN DE LOREAN'S trial finances next month. Now the on drug trafficking charges got judges in Detroit and Los under way in Los Angles last Angeles must decide which case week, hut as prosecutors takes precedence—the bank-accused him of "reaching down ruptcy or the criminal trial.

OPENIN LETTER

hoard was postponed earlier har, out it is waiting for reru to this month following the resign- Bankers now hope that the start implementing the ation of Sr Carlos Caceres as IMF will formally approve measures it contains before sub-Finance Minister, Executive Chile's programme early next mitting it to the Executive board approval of the pro- month. Creditor banks have Board. DICTATION EQUIPMENT COPYING, ADDRESSING POSTAGE: METERING MAIL WEIGHING PITNEY BOWES

and implicated high-ranking military officials.

the programme goes to the IMF board. ● Approval of Peru's IMF profrom Bnenos Aires,

into the depths of the narcotics. appeared to bave his mind on Other matters.

Despite the gravity of the charges against him, Mr De Lorean's immediate concerns were to do with money, Bankruptcy court hearings for De Lorean Motors in Detrolt threaten to cut off funds that Mr De Lorean says he needs to pay his bigh-priced defence. lawyers.

Da Lorean already owes his lawyers \$300,000 (£214,000) and a scheme to sign over his San Diego estate, worth about \$2.5m, Diego estate, worth about \$2.5m, to pay for thair services bas been stymied by a bankruptcy court ruling. In Detroit, Mr De Lorean has been accused by the bankruptcy court judge of co-mingling corporate funds (of the De Lorean Motor Company) with the partonal funds with his personal funds.

During hreaks in the Los Angeles trial Mr De Lorean rushed to phone Detroit and tried to set up a conference call between his lawyers, the judge in Los Angeles and the bank-ruptcy court judge in Detroit.

For the moment, however, Mr underworld" to save his sports. De Lorean is planning to spend car company. Mr De Lorean the next six to eight weeks at the next six to eight weeks at his Los Angeles trial. Opening statements in the trial painted him variously as "a man whose dream turned into a nightmare, a nightmare of failure, drugs, jail and disgrace --- according to the prosecutor—or as a victim of the relentless efforts of a group of bloodthirsty under-cover FBI agents who were "out to get him" as his defenders put it.

The jury heard excerpts from recorded telephone conversa-tions between Mr De Lorean and an undercover FBI agent. In the first tape, Mr De Lorean is apparently trying to persuade the agent-who plays the part of a crooked banker-to cancel the deal.

MILE COMMUNI Curiously, in a conversation said to have taken place the following day, Mr De Lorean agrees to provida collateral to finance the purchase of beroin

and cocaine. and cocaine. Mr De Lorean's lawyers bave alleged that the undercover agents framed their client and Mr De Lorean alleges that Mr James T. Hoffman, chief prosecution witness and a con-Mr De Lorean has heen victad drugs dealer, threatened subpoenaed to appear before a the lives of the De Lorean's two Grand Jury in Detroit to answer children if he hacked out of questions about his company's the drug deal.

The RMRS[®] Postage Meter is just one example of innovative products from Pitney Bowes designed to meet the real needs of your business, just as we, for over sixty years, have met the changing needs of over two million current customers all over the world.

A bold claim that with Remote Meter Re-Setting

means your mail can go out on time.

System, a simple telephone call to our computerised

in seconds - without a trip to the Post Office, which

data centre is all it takes to re-set your Postage Meter

We have also designed a totally integrated electronic mail processing system, a key part of which is the electronic meter, the first of its kind to be approved for the UK.

Link it to our electronic 'decision' scales and they will set the correct postage in the meter automatically, providing the first truly inter-faced mailing system.

Pitney Bowes are also very much aware of the impact computers have made on the speed at which your company's invoices, statements and direct mail are generated.

To match this new level of output we have developed the intelligent inserting system. Quite It will even help you generate better revenue and cash flow.

simply, this processes your computer-generated invoices, statements and direct mail including contin-

It also handles programmed selection of inserts.

uous forms for mailing in one automatic operation.

It will certainly save you time and money.

All in all Pitney Bowes are setting new standards of performance and efficiency in just about every aspect of your company's mailing operations, with a product range and service capability that is second to none.

No matter how large or small your business, if you want to set new standards of efficiency, get in touch with Pitney Bowes.

Pitney Bowes plc, (FT/24/4/C1), Freepost, Harlow, Essex CM19 5YF. Tel: 0279 26731.



84084A ADDRESSING POSTAGE METERING MAIL WEIGH DICTATION EQUIPMENT COPYING



US\$25,000,000

FLOATING RATE NOTES DUE 1987

In accordance with the provision of the Notes, notice is hereby given that for the six-month interest period from 23rd April, 1984, to 23rd October, 1984, the Notes will carry an interest rate of 111 per cent per annum and the Coupon amount per US\$5,000 will be US\$292.29. Interest payment date is 23rd October, 1984.

> DAIWA SINGAPORE LIMITED. AGENT BANK

of DM 730m is regarded as rela-tively favourable however, as

officials had feared a deficit of DM 1bn or more. Nevertheless

it will place a burden on the

Federal Government's finances at a time when it is trying to

In the coming years, Hermes is likely to suffer the impact of the debt problems in Brazil and Mexico. The federal Govern-

ment recently raised fees for Hermes insurance cover by an

The increase was due to come into effect last October hut

exporters won a reprieve of six

Hermes' financial problems

Dec. '83 2,349 8,1 2,227 9,8 856 15,3 2,630 12,5 606 14,8

19.84 THE QUEEN'S AWARO FOR EXPORT ACHIEVEMENT 198

reduce borrowing.

fister.

1133E-

1.11

 $\mathbf{x} \in \mathcal{X}$

613 E -

(1,2,2,1)

OI

Feb. '83 2,536 9,6 2,080 9,2 779 14.5 2,702 12.0 574 14.1

Jan. 23

WORLD TRADE NEWS

High losses forecast **UK benefits from Peking coal plans** on West German

BY MAURICE SAMUELSON

THE Chinese Government has \$300m. If the mine is told British Companies it wants developed, Shell will purchase bem to establish jointly owned factories to make sophisticated coal mining equipment and other machinery for use in its expanding coal industry. Gao Yangwen, China's Coal

machine tools rose almost 79 per cent in the first quarter of this year compared with the same period of 1983. The rise confirms the trend In orders which began with the tast quarter of 1983.

No figures for the size of the export orders were given hy Ucimu, the Italian machine tool makers' association. Last year Italy exported L856bn (£372m) worth of machine tools, against imports nf L250bn. It is the fourth targest machine tool exporter, after Japan, West Germany and the U.S.

Thongh gratified by the evidence of the upturn which the figures show, Uctmu points ont that in real terms foreign orders are still run-ning 25 per cent below their 1980 level.

position in the heavens by 1988, while the remaining vehicle will act as a spare, The new vehicles, to be called the ECS-A generation, will re-place the satellites in the current series after they have worn out. The ECS-A craft will have a higher capacity.

They will channel TV and telecommunications signals using up to 16 transponders— devices that receive and retransmit radio waves-compared with nine on the current craft. Eutelsat says it will place contracts for the new satellites next year.

Three new

European

satellites

planned

EUTELSAT, the international

organisation that operates com-

Western Europe, is to invite

tenders for a new series of

The Paris-based body which

administers satellites on hehalf of state-owned telecommunica-

tions agencies, will issue a formal request for the new

hardware by the end of the

year. Eutelsat wants three more satellites costing about \$200m to be built to supplement the five space vehicles which it has

British Aerospace is huilding the first five satellites, calted the ECS series. One is atready

in orbit, with a second due to enter space in August aboard Westero Europe's Ariane rocket. Two more will take up

satellites

By Peter Marsh

munications

space vehicles.

atready ordered.

Howe optimism on Korea trade

SIR GEOFFREY HOWE, the UK Foreign Secretary, yester-day stressed the importance of expanded trade links with South Korea during his four-day visit to the country, Ann Charters writes from Seoot,

He is understood to have told South Korea that the UK would like imports of six products liheralised, including whisky, gin and high quality clothing. Sir Geoffrey said he had emphasised the expansion of joint venlures hetween Britlsh and Koreao companies lo their own countries and in third nations. He was optimistic that the imbalance in hilateral irade, worth \$1.5bn last year but running two to one in South Korea's favour, would be corrected.

Now at Your Service

Strong rise in Italian machine tool orders

By James Buxton in Rome

FOREIGN orders for Italian

and Export Corp (CEIEC) to selt and support HP products in China and manufacture some Domestic orders for the industry were np by 49 per cent in the first quarter, computer and electronic instru-mentation equipment. making a total rise in the industry'a orders of 61 per cent. The rise in domestic The new company, called China-Hewlett-Packard will be a 50/50 joint venture. Final agreement on the joint venture is subject to U.S. and Chinese government approval. CEIEC is orders ia partly due to a law temporarily favouring com-panies which invest in new machine tools. • EXPORTS of Scotch whisky

a Peking-hased foreign trade organisation within the Chinese • EXPORTS of Scotch whisky to Italy, worth about £50m last year, bave received an important boost with the Rome government's decision to cut the rate of value added tax on spirits. Vat on whisky, gin and other imported spirits has been cut from 38 to 30 per cent, and will go down to 20 per cent on Jannary 1 1986. This final ent will bring it into line with organisation within the chinese of compilers and electronic government's Ministry of Elec-tronics Industry. Under the terms of the agree-ment, HP will set up a head-quarters for the new company in Peking with a factory to will bring it into line with Italian-made brandy and other

wins UAE bridge deal spirits. The Italian government lowered the tax in response to a European Court indgment which ruled that the differen-A SAUDI-JAPANESE jointment. The second, lower price venture has won the contract of \$287,1m, assumed an advance to build an eight-mile long payment of 5 per cent. bridge linking Abu Dhahl city In the heyday of construction with Saadiyat Island. The joint in the Gulf region, advance paytal in Vat rates discriminated against imports. Under the same jndgment. Mr Nigel Lawson, the British Chanventure is composed of the Bin ments of 25 per cent were Ladin Organisation, based in normal. Now, international and

cellor, lowered the daty on wine and raised it on beer in his March budget. The government's move Jeddah, and Shimizu Construction of Japan. tion of Japan. The group won the contract against bids from consortia from Germany, Sweden, South Korea and France. The winning bid came in two forms. The first price of \$289.8m was based on has aroused protests from Italian wine producers. The Government has also raised the Vat rate on sparking wine from 20 th 30 per cent and wilt lift it to 38 per cent in January 1986, bringing it no advance payment during tractors can bear the financial construction being provided by hurden of not having an advance the Abu Dhabi Planning Depart- payment." Into line Champagne. with French

BY PAUL TAYLOR IN NEW YORK HEWLETT-Packard (HP), the

U.S. computer and electronics products group, plans to set up a joint venture company with the China Electronics Import

BY KATHY EVANS IN DUBAI

outout. in the Kailuan mining complex

Industry Minister, last week led a group of officials on a 12-day visit to London during which Peking Although concentrating initially on one mine, the agreethey signed a string of agr - ment anticipates co-operation ments with Shell, the National elsewhere in the complex, out-Coal Board and UK mining put from which is to be raised from 20m tonnes a year to 35m tonnes. This extension could equipment suppliers. Shell agreed to conduct a feasibility study on the developopen further export opportuniment of the Jining No. 2 mine ties for UK private manufac-

Japanese-Saudi venture

at Yanzhou in Shandong pro-vince, which is expected to cost Chin

TOSHIBA of Japan has reached agreement with the

U.S. company Motorola to produce special integrated

local companies are deemed

hungry for work Their withdrawal has made

many international contractors

hesitant to hld for major coo-tracts in Abu Dhabi. A spokes-

man for the Bin Ladin group commented: "Only certain con-tractors can bear the financial

discussed joint production in China of British-designed roof half of its 4m tonnes a year supports and coal shearers. It already has outline agree-ments with Anderson Strath-The National Coal Board was invited to study the extension and reconstruction of a mine

clyde, British Jeffery Diamonds, and Gullick Dobson, Dowty Mining Internation is also expected to agree to joint pro-duction of roof supports in in Hebel province, north-east of China. The Chinese had discussions

about coal gasification with a number of UK concerns, including the British Gas Corporation, Davy McKee, Humphries and Glasgow and Babcock Internatiooal. These companies will shortly start to test samples of Chinese coal.

Gao, who was in London as a guest of Mr Peter Walker, the Energy Secretary, said that as part of his country's programme for doubling coal output to 1.2bn century, it was now spending several bundred million dollars a year on imported equipment.

To save foreign currency China prefers to establish joint manufacturing units. "Our market is immense and the pros-pects are bright." Gao said. He added that British equipment compared well with Japanese, West German and American products, but that It could be mucb more competitively

export credit cover nnes a year by the end of the BY JOHN DAVIES IN FRANKFURT WEST GERMANY is expecting brought in by way of premiums a deficit of about DM 1bn from exporters totalled only (£266m) a year in its export DM 569m, about 15 per cent less credit insurance scheme for the than in 1982. The net deficit

next four years. The scheme notched up a deficit of DM 730m tast year, as exporters sought compensation after failing to get payments from abroad.

Although that shortfall was less than feared, it was a sharp U.S. and China in electronics joint venture BY PAIR TAYLOR IN NEEDED.

West Germany's export credit average of 40 per cent to try to insurance scheme is operated on help meet the larger deficits, behalf of the Bonn Government. The increase was due to come through a company Hermes, which is largely owned by Munich Re-Insurance and the closely related Allianz Insur-

including currency factors." difficulties.

Pressure on Hermes' finances recovery of outstanding debts was worse because the money from shroad.

WORLD ECONOMIC INDICATORS UNEMPLOYMENT jan. '84 3,200 13.4 9,026 8.0 Mar. '83 3,172 13.6 11,419 10.3

30. 84

3.186

8,801 7.8

	B				
Mis	ssile	atta	ck	fails	to
lift	Gul	f ta	nke	er rat	tes

FINANCIAL TIMES REPORTER

GULF tanker rates have remained atable following the latest missile attack on a tanker, but a number of deals are being concluded privately. Of those fixings reported in the Gulf area. Shell concluded one for a 396,000 ton ship to Southeast Asia at Worldscale 27, and another for a 240,000 ton tanker to the UK at the same rate. On smaller ships, a 130,000 ton vessel was fired

for Rotterdam at Worldscale 42.5. Galbraith's believes some 35 large tankers are in position in tha Culf so it is difficult to envisage any strong upward rale movement.

The most active region has been the Mediterranean where 30 or more deals were done last week. Exxon paid Worldscale 67.5 to move 80,000 tons across the Mediterranean and Colden

months. ance. It normally covers just under 10 per cent of West are viewed with mixed feelings in West Germany. There are strong views that export credit Germany'a exports, mainly to Although details of last year's according to free market performance have not yet been principles, rather than be sub-published, officials disclosed sidised, but some that the bulk of compensation to exporters amounted to DM 1.4bn argue that the scheme should a year-half for consumption in China and half for export via be seen in the long term, as Hermes has made profits for the for payments they failed to receive because of "political Hong Kong. A final contract with the Shen Zhen Foodstuff and Government for about 30 years. They also argue that the deficits may be offset by the eventual

relationship with China sinces the early 1970s. We are very supportive of the development of the electronics industry in China and believe this joint venture agreement can make a Beverage Industrial Corporation is expected in a few months, Production would start up in about two years on a site in the Shen Zhen economic zone close to Hong Kong.

UK. U.S. 8,772 jan. '84 2,539 9,4 2,252 9,9 863 15,4 2,960 13,1 602 14,7 Feb. 34 ab. 34 2,537 9,4 2,258 9,9 257 15.3 2,972 13.1 589 14,4 W. Ger rates, but amaller hnikers are slowly improving. The main Netherlands grain trades have been con-spicuous by their absence with no Gulf-Europe or Japan fix-Italy "tures reported. Belgium Time charter activity has also

been in the hig sizes though the Russians are said to be looking for early charters in the Atlantic.



0000

throughout the world and also thank our many customers for making this

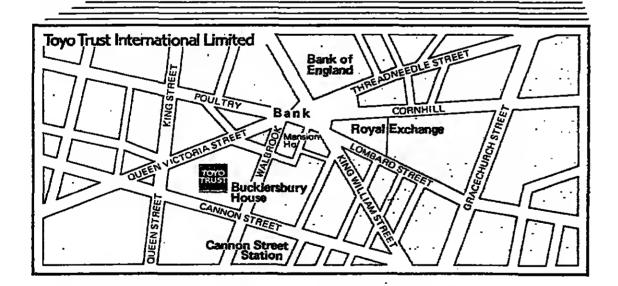
John Davies adds from Frankfurt: A West German brewery is planning to produce beer in China in a DM 50m (£13m) joint venture with the Chinese. Panlaner-Salvator-Thomasbräu, a major brewer in Wunleb convirture a plant Munich, envisages a plant to brew 300,000 hectolitres of beer

contribution in terms of both technological capability and management techniques." IC chip, while Toshiba will produce and market the chips

produce and market the enjos worldwide under its own brand. All programmes are currently broadcast only in the U.S. and mainly received on car radios, but Toshiba expects increasing interest in the current between its own

circuit chips used as key com-ponents for AM (amplitude modulation) stereo broad-casting receivers, AP-DJ reports from Tokyo. Motorola will provide Toshiba with technical data on its patented the system because it can transmit over longer distances than FM stereo. company which had sales last year of \$4.7bn (£3.4bn), sald: "Our company has been developing a long-term business follow. The joint venture will initially manufacture selected products from HP's current line of computers and electronic instruments, to be sold pri-marily in China. Development

TOYO TRUS TER MITED OPENS IN LONDON TODAY



Full Range of Merchant Banking Services

Toyo Trust International Limited, a wholly owned subsidiary of The Toyo Trust and Banking Co., Ltd. of Japan, is now offering the full complement of merchant banking services to customers in Great Britain, Europe and throughout the world.

The new company is the most recent link in Toyo Trust's rapidly expanding global network. It was established to provide the same high degree of excellence and trust in banking services which have long been the hallmarks of its parent company.

Scope of Services

 Stocks and securities brokerage Underwriting Investment advisory services Merger and acquisition assistance Other financial services

Toyo Trust International Limited

Managing Director: Masanori Ishida Location: Bucklersbury House 5th Fl. 14 Walbrook, London EC4N 8AJ Telephone: 01-236-5272 8811456 TYTINT Telex:

The Toyo Trust & Banking Co., Ltd.

International Department: 4-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan Telephone: 03-287-2211 Telex: J22717 TYTEKI, J22123 TYTEKI Overseas Network: New York, Los Angeles, London, Belling, Shanghat, Hong Kong, Singapore, Bahrain, Sydney Subsidiary: Toyo Trust Asia Umited, Hong Kong Eagle took a 75,000-ton tanker with a 58,000-ton cargo from Arzew to Quebec at Worldscale In the bulk trades, the larger ounage continues to get the best Award possible.

British Aerospace Dynamics Group is doubly proud to receive



and wishes to thank its employees, customers and subcontractors for their continued support

> BRITISH AEROSPACE unequalled in hypertechnology Six Hills Way, Stevenage, Hentfordshire, Great Britain SG1 2DA.

May 29-23 Business to Business Exhibition

International Fire Safety Confer-ence and Exhibition (01-248 4427) NEC, Birmingham

May 10-16 International Packaging Exhibi-tion and Display of Confec-tionery Machinery — INTER-PACK (01-493 3893) Dusseldorf

May 20-27 International Aernspace Exhibi-tion (01-651 2191) Hanover May 22-25 Asian International Electronic

Amsterdam

ruption.

ference (Georgie 30341)

International Reports/FT; Sove-reign debt and the banks ((212) 477 0003) New York May 22 ESC: USM. listing or private

placing? (Uppingham (0572) 822711) Piccadilly Hotel, W1

Royal Institute of Navigation: Global civil satellite navigation systems (01-589 5021) Novetel, W6

FT Conference: Sitey-World FT motor conference (01-621 1355) Geneva

May 15

822711) May 22-24 Barbican

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Orty

ma

 $\langle j \rangle_{i_*}$

the state of the s

May 1-3May 15-17All Electronics ECIF ShowMicrographics 34(0799 26699)Barbicanand Conferences(GodalmingMay 1-3(04868) 6653)Fibre Optics Exhibition andBloomsbury Crest Hotel, WCIWay 15.17

May 1-3 Fibre Optics Exhibition and May 15-17 Conference (0799 28699) Whitbread Portern Tun Rooms Conser Show (01-837 3699) Canard International Hotel, WO Alay 2-3 International Air Cargo Exhi-bition and Conference (St (01-729 0677) Albans (0727) 68633) International 1

Manchester May 2-Oct 21 International (051-236 6090)

May 2-Oct 21 International Garden Festival May 22-24 (051-236 6090) Liverpool May 9-11 Sonthern Aids for the Disebled Exhibition and Conference (Tunbridge Wells (0892) 44027) Brighton Brighton May 22-June 1 Internetional Wine and Spirit

British Craft Trade Fair (0282 Trade Fair (01-940 6065) Harrogate Olympia

OVERSEAS TRADE FAIRS

April 24-27 Food and Hotel Asia (01-486 1951) Singapore

April 30-May 4

Direct Marketing Symposium and Exhibition (01/69 48 20) Montreux

May 5-9

 May 5-9
 Asian International Electronic Communications Exhibition and Comference — COMMUNICASIA

 Systems
 Components and Conference — COMMUNICASIA

 Materials
 for Industrialised

 Building Sector Exhibition (01-486 1951)
 June 4-7 Millan

 Gas Turbine Exhibition and Con-ference (Georgie 30241)

 May 10-13

Asian Automotive and Acces. June 4-7 sories Exhibition (Guildford Robots 8 Exposition and Confer-(0483) 38085) Singapore ence) ((313) 271-1080 Detroit



CONFERENCES

April 25-27 April 25-27 Insig: Banks and computers (1) Business Briefings: Acting for 763.07.24 April 26-28 Paris Lloyd's underwriters, taration planning end advice (01.381 1234) Waldorf Hotel, WC2 April 26-28 Progress Foundation / IMF: Money---2 search for common ground ((091) 68 92 69) Lugano, Switzerland Difference for profit (Bourne End (06285) 24922) Royal Lancaster Hotel, W2

May 3Royal Lancaster Hotel, W2Institute of Directors: New
legislative threats to directors
(01-388 1811) Café Royal, W1May 16
Institution of Taxation: Finance
Bill 1984 (01-235 8347)
InterContinental Hotel, W1
May 16
InterContinental Hotel, W1
May 16
Longman Seminars/International
Media Law: the media and the
law (01-242 2548)
May 9May 9May 1

May 5 Longman Seminars: The elec-tronic banking revolution---legal and security problems (01-242 2548) Barbican

May 10 IWP: Electronic mail in practice (01-242 8697) Cavendish Conference Centre

May 11 Longman Seminars: The Lloyd's Act (01-242 2548) Barbican May 23-24 FT Confer Longman Semmars: The Libyus Act (01-242 2548) Barblean May 13-14 Meed: Law and business in the UAE (01-404 5513) "Abu Dhabi

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

UK NEWS

Tories face an all-party attack over Libya affair

BY MARGARET VAN HATTEM

BY OUR INDUSTRIAL EDITOR

which all but rule out industrial dis- ganisation for the 21st century."

The Electrical, Electronic, Telec- push in Scotland where a large

THE BRITISH Government will come under pressure from all sides were making arrangements to leave, but they said they did not inof parliament, when sittings resume tomorrow, to explain why the tend to do so until a few hours be-Libyan People's Bureau was per-mitted to function as an embassy, fore their deadline next Sunday. Italy is expected to take over the

role of representing British inter-ests in Libya. Italian Foreign Minisparticularly after Libyan "students" took control of it in February. It can also expect strong attacks try officials yesterday confirmed refrom Conservative right wingers who are outraged that the killers of Woman Police Constable Yvonne ports of British approaches on the matter, still unconfirmed by the Britisb Foreign Office, and prom-Fletcher are to go free. This follows Monday's decision to reache break off diplomatic links with Lib-tres. ised a statement if agreement was reached between the three coun-

ya, to expel from Britain by next Sunday the estimated 20 to 30 Liby-Libya, meanwhile, has assured the estimated 8,000 Britons living ans still inside the besieged bureau, and to withdraw all British diplothere that they will be safe. A strongly-worded communiqué issu-ed by the Foreign Liaison Bureau mats from Libya by the same date. ed by the Foreign Liaison Bureau Libyan spokesmen inside the bu- (Foreign Ministry) on Sunday ac-

Union plans 'no-strikes offer'

ONE OF Britain's major trade at Plymouth, Sanyo at Lowestoft gy companies a video of a conversa-unions will shortly present a strate-gy to offer employers agreements core of a new strategy "for union or-think but but strate and inmos in South Wales, as the core of a new strategy "for union or-of Toshiba Plymouth and Mr Roy

The union is to make an initial

ommunications and Plumbing number of electronics companies The message of the video will be Union, which has 380,000 members, have set up or expanded plants that unionisation of workers by the

sees "no disruption" agreements of usually without unions. union alone bene the type it has pioneered at Toshiba It is to send to 200 high technolo- and management.

reau confirmed yesterday that they cused the British Government of encouraging attempts by Middle Eastern groups to storm the People's Bureau in St James Square on April 17, in order to create a pretext for severing relations "in obedience

to Zionist and American pressure." But the communique added thet while it coodemned the British Gov ernment, it had no quarrel with the Britisb people, particularly those living in Libya, who could be assured of security and protection.

Mr Leon Brittan, the Home Secretary, confirmed after Monday's decision that Britain would bonour the Vienna Convention on diplomat-ic immunity, and said the diplomatic bags brought out of the bureau would not be opened.

Sanderson, the union's national of

ficer who has pioneered the agree-

union alone benefits both workers

ments.

F.T. CROSSWORD PUZZLE No. 5,399

ACROSS 1 She plays a Shakespearian part for the network (6) 4 To reverse excessively in a dance is silly (8) 9 The boss gets one to ring the work-room (6) 10 Supporter has backing of

fifty down below (8) 12 I acted in variety show (8)

13 Country writer (6) 15 Travel around in droves (4) 16 Absconder gives advice on economy air travel (3-2-5)

19 The shooting of an unknown person? (6, 4) 20 Hit back gamely (4) 23 Politician caught in cuming

habit of a mun (8) 25 Announced a number have cleared out (8)

27 Model may be a girl in love (8)

28 Get rid of a spindle, per-haps, that hasn't a central point (6)

29 Dunces move fast when the principal comes in (3-5) 30 Guest who finishes the course? (6)

DOWN

1 Dismiss someone taking money (7)

2 Legally under constraint to

jump across (5, 4) 17 A mundane subject (9) 3 Show girl goes round in 100 18 The worst type of under-(6) ground heating (44) 5 Instrument has nothing in 19 Short of shot-guns (4-3) order (4) 21 Not a straight musician? (7) Learnt to become easy- 22 Record turnover is not commonly a cause of it (6) going (8) 7 Article 1 have written about 24 Possibly omits when wet (5) statesman (5) 26 A bit of a wag, even a joker maybe (4) 5 Clothing grant that's new, put me in for it (7)

11 A permit beld by the sportsman (7) 14 She is in a bad environment with nam and looking sbamefaced (7) Saturday.

The solution to last Saturday's prize puzzle will be published with names of winners next

5

WORLD VALUE OF THE DOLLAR every Friday in the Financial Times

Part of having a good time is arriving on time.



NOTICE IS HEREBY GIVEN that, in accordance with Article 29 of the Statutes, the ANNUAL GENERAL MEETING of Shareholders will be held on WEDNES-DAY, the 23rd MAY 1984, in THE VINTNERS' HALL, 681 UPPER THAMES STREET, LONDON EC4 at 11 a.m. to receive a Report from the Committee with the Accounts for the year ended 31st December 1983; to propose a Dividend; to elect definitively a Member of the Committee in accordance with Article 16 of the Statutes; and to elect Members of the Committee.

By Article 27 of the Statutes the General Meeting is composed of holders, whether in person or by proxy or both together, of at least thirty shares, who, to be entitled to take part in the Meeting, must deposit their shares and, as may be necessary, their proxies at the Head Office of the Company in Istanbul or at any of the branches, or in London at Dunster House, 3rd floor, 37 Mincing Lane, EC3R 7DN or in Paris at 7 rue Meyerbeer, 75009, at least ten days before the date fixed for the Meeting.

The Report of the Committee and the Accounts which will be presented to the General Meeting are available to the Shareholders at the Head Office in Istanbul and at the offices in London and Paris.

> T. R. STEPHENS Secretary to the Committee

24th April 1984







The Contraction of the Providence

UK NEWS

TUC advocates legal safeguard for investors

BY OUR FINANCIAL STAFF

6

THE TRADES Union Congress Houses Committee, the merchant (TUC) calls today for the establish- banks' trade association, has (TUC) calls today for the establishment of a new statutory commission to protect the interests of investors and ensure effective control over City of London institutions.

In one of the first published responses to the recent report on inestor protection by Professor Jim Gower, the TUC argues that the is needed to safeguard individuals system of self-regulation suggested and institutions from fraud and in the report would be "ineffective and unworkable."

Comments on the report, which by Prof Gower would only partly was commissioned by the Depart-ment of Trade and Industry, have to tory commission is needed to enbe submitted by April 30. Although no-one in the City of London is like-ly to go as far as the TUC in its criticism, the report has drawn a decidely mixed response from the financial community.

Among the organisations expected to deliver their verdict in the next few days are the National Association of Pension Funds (NAPF) and the Council for the Securities Industry (CSI). Accepting

agement, the submission argues that the degree of self-regulation envisaged in the Gower report agreed to explore the idea of joining would be inadequate. Authority should instead be vested in the Oca self-regulatory body formed by the British Bankers Association, cupational Pensions Board. This along the lines proposed by Prof would set minimum standards for Gower

both funding and investment policy In its comments, the TUC says The TUC also urges the introdu that a new Investor Protection Act tion of statutory registration of life assurance brokers, and the esta-blishment of a system of fixed commismanagement. However, it bemissions to protect investors. lieves that the legislation favoured by Prof Gower would only partly In contrast to the TUC, the NAPF is thought to be in broad agreement with the main points put forward by force regulation. Prof Gower.

The Commission would be The report, published in January, charged with overseeing the Investor Protection Act and with superof Trade and Industry should have vising, other statutory and nonwide powers to supervise a number of new self-regulatory agencies. These in turn would be responsible statutory controls on the investment industry, and should be accoontable to parliament. The TUC further calls for compulfor the day to day supervision of

sory registration of investment NAPF members argue that manes, with failure to comply agers of pension funds run by combeing made a criminal offence. panies should be required to register under the proposed legislation. Turning to pension scheme man-

NEI signs robot sales deal with Komatsu By John Griffiths

KOMATSU, the Japanese indusheavy construction equi

trial group best known for its videning its activities in the UK and the rest of Europe through a welding robot supply agreement with the British company Norwith the British company Nor-thern Engineering Industries (NEI)

NEI's subsidiary specialising in heavy equipment, Northern Engineering Industries Thomp-son, has signed an agreement with Komatsu under which it will sell the robots in Europe un-der the name of Thompson, Koder the name of Thompson-Ko-matsu, reports from Japan said vesterday.

Nn NEI spokesman was available for comment but the Japanese reports said that it was exnected to sell about 50 robots a year under the agreement, which ts five years.

Komaisu has come to public itention in the UK as a result of the impact it has made in the construction equipment field, which has been suffering both from a deep and prolonged re-cession, and a concerted attack on the market by Japanese manufacturers.

Komaisu is one of five Japa-nese makers of such equipment which between them have captured a quarter of the UK market for construction equipment in less than six years.

NEI is primarily a manufacturer of electrical and mechanical equipment, operating inter-nationally with turpover last year of £871m (\$1.25bn).

Trials the people cannot judge

Gen

ist be

IF ESPIONAGE and counter-espio- terial that ordinarily would have one offence, the judge ought not to nage are endemic in modern Brit- been adduced in evidence, and the pass consecutive sentences when ain, criminal justice and spies are defence was hamstrung in the not easy bedfellows. The criminal amount of documentation that it trial in Britain is the quintessence sought to have sight of and was not of openess, while spying thrives allowed to cross-examine on mat-on secrecy which for both the spy ters that touched the nerve centre and the spied-on, may survive even of highly secret matters. Whatever the effect this may

the process of detection and prosecution

Over the years a number of spies conviction of Mr Bettaney, no one have faced criminal prosecution in in the public, save the 12 jurors who the ordinary courts of law. From are in any event sworn to eternal secrecy irrespective of the nature of Klaus Fuchs and Alan Nunn May in the late 1940s to George Blake in the offences they had to record 1962 and Geoffrey Prime in 1982, their verdict on, is in any position to the criminal process has been appass judgment. Justice may have plied with only a minimal interfer- been done. It was by no stretch of

have had on the propriety of the

ence with the accepted standards of the imagination seen to be done. criminal justice. Parliament, when Is it really necessary that the passing section 1 of the Official Se-blanket which is drawn over the opcrets Act 1911 and making spying a erations of the security forces -criminal offence punishable with a even to the extent of denying some maximum penalty of 14 years' im- information to the Attorney prisonment, said nothing to indi-cate that those prosecuted would be Crown - should spill over to the subjected to any different mode of trial process? Clearly the authoritrial from others charged with cri-ties saw no reason why the veil of minal offences. secrecy should have been lifted,

simply because the forum is un-changed from the concealed corrid-In those cases a part only of the proceedings were conducted behind closed doors, but there had been no ors of the secret services to the imitation on the rights of the deopen courtroom of the Central Crience to conduct its case uninhibiminal Court. If that is so - and there is little to

ted by the exigencies of national segainsay its logic - the fundamental principle that everyone without excurity. This may have been due to the fact that the defendants once unception charged with a criminal offence is unequivocally entitled to a fair hearing before an independent masked had no more secrets to reveal, and presented no further use to those countries for which they and impartial tribunal in public, had to be abandoned. If the princispied. Had Messrs Philby, Maclean and Burgess not escaped the long ple cannot prevail, then Parli arm of the law for their traitorous conduct the problems of putting them on trial might have been ex-posed earlier. Others, like Anthony must sanction something less open whenever someone faces a charm of spying. At least if secrecy must prevail

Blunt, were able to buy immunity for the conviction there m some method of revealing the ex-tent of the offencer's criminal refrom prosecution by offering to reveal secrets that assisted the securibility so that the public can judge the appropriateness of the

through from the cloistered hearing sentence. How do we judge whether at the Old Bailey during the recent the Lord Chief Justice was right to trial of Michael Bettaney, there was impose a total sentence on Mr Betan unprecedented blanket over nearly the whole of the proceedings. The Crown restricted the ma-

pess consecutive sentences when the offences arise out of the same transaction or series of transactions, and ought in any event never exceed the maximum prescribed by Parliament for the same offence.

That principle went by the board in 1962 when Lord Parker trebled up the maximum penalty on George Blake to impose 42 years' imprisonment. George Blake relieved the rest of us of the charge of inhumanity by escaping less than four years after his sentence and remaining able to other than the handful of mineri. people who know the whole of the case against him.

Particular types of punishment may be objectionable, not because they are unjust or undeserved, but because they are inhumane.

It might be suggested that multi-ple sentences on spies which far exceed the maximum penalty laid down by Parilament are acceptable according to contemporary standards, but it is not inconceivable that they will be regarded as unacceptable according to the standards of some future generation. The trouble about the sentence inflicted on Mr Bettaney is that it is not sus-ceptible to public judgment as to its justness, deservedness or humanity, without a great deal more infor-mation than has been made avail-

Justinian

Oil

ល្រា

NO

fr0i

1.44

24.55

.

. ..

ž.

۹.1

Sal

by

In Geneva

The Hotel Intercontinental Genève commands a breathtaking view of the city below and the Alps above. Tradition and charm are evident from our informal cafe to the international cuisine of our Les Continents Restaurant. And our experienced staff will handle your every need efficiently and graciously. We look forward to offering you the Inter-Continental advantage.

THE ADVANTAGE IS INTER-CONTINENTAL HOTEL INTERCONTINENTAL GENEVE

PetirSaconner 7.9, 1211, Geneva 19, (1122) 346091, Telec 23130 For reservations call: London (01) 491-7181, Faris 742-07-92 Frankfurt: 0611/230561, Amsterdam: (020) 262021

 A second state of the second stat

Maxwell in bid for Observer BY RAY MAUGHAN MR ROBERT MAXWELL, chair-man and majority sbareholder of man of Atlantic Richfield, three cated that be will sell the newspa-

man and majority sbareholder of man of Atlantic Richfield, three Britisb Printing & Communications years ago. Corporation, will launch a "strongly financially orientated" evening newspaper in the London region this autumn if he wins agreement to buy the Observer newspaper from Lonrho, the Pan-African trading group run by Roland "Tiny"

Mr Rowland is due to meet Mr trv Maxwell for breakfast tomorrow at Claridges - the London botel which ironically was the place where Loorho agreed to buy the Observer

Lonrho is contemplating the sale of one of Britain's leading Sunday newspapers after a disagreement which stemmed from recent coverage by the Observer's editor, Mr Donald Trelford, of alleged atrociwere ties by Zimbabwean troops in the

Matabeleland region of that coun-Lonrho has major business interests throughout Africa and maintains close contacts with Mr Robert Mugabe, Zimbabwe's Prime Minis-

per to Mr Maxwell's privately owned Pergamon Press if Mr Max well offers the "right price."

ed that the Department

Mr Maxwell indicated yesterday that be was willing to pay "the right price[®] although the precise terms not disclosed The Observer is understood to be

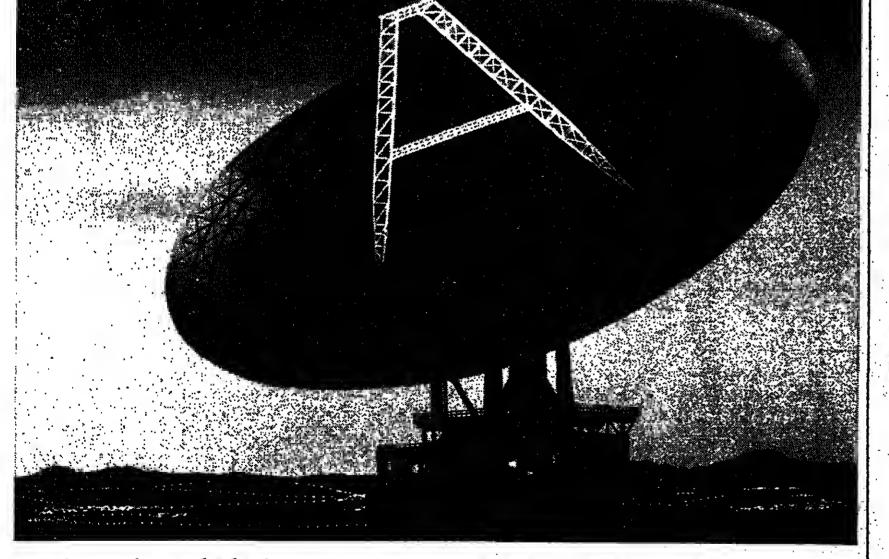
losing more than £1m a year, but Mr Maxwell proposes to restore profitability by bringing forward by one year his plans to launch a London evening newspaper.

ity services. By all the accounts that filtered

taney of 23 years? On 10 counts in the indictment Lord Lane passed sentences of 11 years imprisonment, consecutive with another 11 years, plus a further one year. When in 1946 Lord Goddard passed sentence on Klaus Fuchs of 14 years' imprisonment on five separate charges of spying - Fuchs gave information to the Soviet Union about atomic bomb manufacture at Los Alamos - he made all the sentences to run concurrently. Lord Goddard adhered faithfully



to the principle that when someone has been convicted of more than Artes of Constraint



Abecor-the member banks. ABN Bank (Algemene Bank Nederland) Banca Nazionale del Lavoro **Banque Bruxelles Lambert** Banque Nationale de Paris **Barclays Bank** Bayerische Hypotheken-und Wechsel-Bank AG (HYPO-BANK) Dresdner Bank AG Österreichische Länderbank Banque Internationale à Luxembourg Associated Member Banque de la Société Financière Européenne

The Abecor A is the mark of the biggest banking association of its kind in the world. As a client - that gives you significant advantages in international banking.

Clear route to international finance. With Abecor, your credit rating holds good in each of the member countries. Through the network of 12,000 branches of the member banks - in 120 countries you can count on expert analysis of market conditions. You can arrange quick transfers of funds, settle accounts locally.

Locally Based - Internationally Strong. In international banking, size is important. Abecor's 9 leading banks with assets of over US \$440 billion can call on their combined financial skills, with direct links to every major market. And it's all as close as the member bank in your country.

becor The biggest banking association of its kind in the world.



The Queen's Award for Technological Achievement has been awarded to APV Hall Products Limited (formerty J & E Hall Limited) for the HallScrew refrigeration compressor.

This success follows last years presentation of a Design Council Award for the same product. The proven success of the HallScrew compressor brings to the refrigeration, air conditioning and heat pump industries a new dimension in compressor technology. For 199 years Halls have been engineering innovators and this latest accolade recognises our commitment to new technology.

APV HALL PRODUCTS 100 Hythe Street, Dartford, Kent DA1 1BU. England. Tel: 0322 23456, Telex: 25594

UK NEWS

Oil search turns to North Sea frontiers

By Dominic Lawson

'Udg

D

THE GOVERNMENT'S decision to concentrate on frontier areas in the forthcoming ninth round of oil and gas licences has led to a flurry of exploration activity in some of the est and most hostile waters in the UK Continental Shelf.

These exploration wells are de-signed to gain much-needed infor-mation about the geology of the frontier areas - particularly west of Shetland - before the Department of Energy gives precise details of the blocks to be serviteble for bid the blocks to be available for bidding in about one month's time.

Britoil is at present drilling a well on a west of Shetland block which it was awarded by the last Labour Government between the fifth and sixth rounds of North Sea licences.

Nearby, Esso has started drilling in 2,150 ft of water. When it started to drill, this well was the deepest one in UK waters. But two weeks ago Conoco began drilling a well in 2,200 ft of water. The Conoco well, 380 miles north east of Aberdeen, is also the most northerly well drilled on the UK Continental Shelf.

Conoco caused a stir at the beginning of last month when it said that the area had the potential to contain an oilfield of 1bn recoverable barrels - bigger than all but three of the developed North Sea oil-

Last week the British Gas Corporation announced that it was to drill in 2,000 ft of water off Northwest Shetland. "This well is expected to provide futher information on the geology of areas likely to be-come available in the ninth UK licensing round," it said.

These deep water wells will take at least four months to drill, and are likely to cost in the region of £10m each. Should drilling lead to oil or gas discoveries it will remain a closely guarded secret. It would not become public knowledge until after the ninth round closes at the beginning of next year.

• The 128 employees of the British National Oil Corporation (BNOC) were last year on average each responsible for turnover of £61.8m on the basis of BNOC's annual results. The company announced pre-tax profits of £800,000 on turnover of over £7.9bn.

The period was the first full year in which the state oil purchaser and trader operated as a separate entity, after the hiving-off of its production arm in the form of Britoil.

Last year the corporation mar-

Banks count the cost of Lawson tax blow BY DAVID LASCELLES, BANKING CORRESPONDENT BRITAINS BIG banks will be reealing over the next lew days just Unprovided 1983 pro-tax Jability (2m) profits (2m)

Hidlend Lloyds

Total

571 254

1,679

that they will have to dig deep into their reserves which could be pain-

etter of UK accounting standards.

vision by shuffling around their bal-

Banks will actually make the pro-

how much the ending of capital allowances will cost them in unforeseen taxes. The ending of the allow-ances was announced last month by Mr Nigel Lawson, Chancellor of the Exchequer, in his budget. Barclays and Midland banks hold their annual meetings tomorrow.

NatWest's is on May 1 and Lloyds on May 3.

Analysis have already estimated Analysis have already estimated the figure at about £1.7bn - which is out over several years. This means out over several years. This means pre-tax last year. About a third of this is accounted for by NatWest, the bank with the largest liability and the only one yet to have made its own estimates while ful, but preferable to spun-out un-certainty. It also conforms to the

its own estimates public. its own estimates public. The budget changes will force banks to pay tax on income from their leasing business which they previously expected to be able to de-fer indefinitely through new capital allowances. The banks had set aside only enough to cover 25 per due this provision will be used up, cent of their hability if these allow. This will not hit bank profitabili ances were ever abolished. The question now is how much of the remaining 75 per cent they will actu-ally have to pay, and how they will

pay it. The banks have already agreed --with some prodding from the Bank of England -- on a common ap-proach: to make a once for all, full ty is a moot point.

Threat to drug makers

By Carla Repoport

THE BRITISH pharmaceutical industry is currently facing greater threats to its future than at any time in its a history, according to a recent survey by Jordan & Sons, a research and consultancy group. The dangers include tighter profit control by the Government, promo-

tional spending cuts, increased generic prescribing, and declining reearch productivity. The survey urges drug companies to re-examine their long-term re-

search and marketing strategies to minimise the harmful impact of these threats.

The report says new governme restrictions on profitability will force a number of small and medium sized companies to cut spending on product promotion. As a result

they will be less able to compete in a market dominated by a few large companies. The restrictions will also result in

a "significant decrease" in invest ment by foreign companies in the

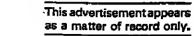
pressure from that front. Three o the banks, Barclays, Lloyds and NatWest, probably have strong enough balance sheets to get by. 257 The uncertain case is Midland where capital ratios will be reduced to the uther minimum if it makes the expected provision, coming as this does on top of its severe prob-lems with Crocker National Bank, 1,704 Source: Rows & Planan. Estimates assu full liability based on a 1988-87 rate of 35 per cent. its Californian subsidiary. This has sparked doubts about Midland's lividen

Less clear is exactly how much the banks will have to set aside. NatWest has already told sharehol ders that it expects to have to pay only about 60 per cent of its total li ability. This is because the corpora tion tax rate will have fallen to 35 per cent from 52 per cent by the time the tax liability crystallises in three or four years' time.

ance sheet; they will transfer funds from reserves into "provision for de-ferred taxation," another balance Another unknown is how muc new leasing business the banks will sheet item. Then as the tax falls be able to drim up in the years ahead. Even though they will no longer get the 100 per cent first year capital allowances, they will This will not hit bank profitabili-ty because the transfer takes place below the line." But it will weaken still get a 25 per cent a year reducbalance sheets. Whether it will ac- ing balance allowance - so leasing's tually force any of the big four to go tax benefits will not disappear alto to their shareholders for more equi-

There is a boom in leasing at the The Bank of England has indicat-ed that it will look with an under-to beat the phasing out of the capistanding eye, so there need not be tal allowances.

New Issue April, 1984



Ostatoji

Den norske stats oljeselskap a.s

Stavanger, Norway

U.S.\$ 100,000,000 12% U.S. Dollar Notes of 1984/1988

unconditionally and irrevocably guaranteed by the KINGDOM OF NORWAY

				-
Deutsche Aktiengesallsche		Merrill Ly	ynch International&Co.	
Amro International	Credit Suisse First	Boston	Daiwa Europe Limited	
Orion Roy Limited	val Bank		Brothers International	
Bergen Bank A/S	Christiania Bank og Kreditkasse		Den norske Creditbank	

Real Time Information for Japan's Security Market

Just as Mt. Fuji is known the world over as a symbol of Japan, so too, the Japanese securities market is gaining worldwide recognition,

With recent large-scale issues of govemment bonds and increased corporate fund raising through security offering, the

keted 1.3m barrels of crude a day, a 10 per cent increase over the previous year, and representing 58 per cent of total UK North Sea produc-

However, most of BNOC's crude purchases are purely paper transac-tions. They are immediately sold back to the producers at the same price and so BNOC's capacity to National Health make profits is strictly limited. Says the report.

UK in the manufacturing and deve opment of pharmaceuticals. Investment in straight research is expected to be maintained or increased. The report also forecasts that the number of products sold in the UK.

will decrease in future. This, will have the effect of making the market more sophisticated and innovative at the same time as cutting the National Health Service drug bill,

Sales surge expected by distributive trades

BY PHILIP STEPHENS

· .

the level of sales in March, according to the Confederation of British Industry/Financial Times survey published today.

The ninth monthly survey, which drew replies from 722 retailers, wholesalers and motor traders, found that a balance of 53 per cent expected sales in April to be above levels at the same time last year. (The balance is the percentage reporting a rise minus the percentage expecting a fall).

Reports of increased retail sales in March, however, were the lowest for six months, apparently reflect-ing the cold weather and the lateness of Easter.

A balance of 47 per cent of all the trades surveyed had expected better trading conditions last month, but in the event a balance of only 30 per cent reported increased sales.

The survey for April, conducted between March 23 and April 13, expresses confidence that the down-turn will prove only temporary and there are indications that trade could return to the very high levels of late last year.

Expectations of increased sales in April are particularly strong in those categories - clothing, footwear and leather - where turnover in March was furthest from expectations.

Distributors also expect a significant increase in the volume of orders placed on suppliers, although stock levels, which increased sharply in March, are expected to remain high.

In the retailing sector high sales expectations in March were not fully realised for the third month in succession, although turnover was above the same month a year ago. This tallies with official figures showing that retail sales dropped by nearly 1 per cent between February and March, while remaining are expected to pick up this month.

DISTRIBUTIVE TRADES are ex-pecting a surge in business this March 1983. But a balance of 70 per month after disappointment with cent of retailers is predicting buoyant trading conditions in April.

The lower-than-forecast sales are reflected in a surge in retailers' stocks, which rose at the fastest rate since November 1983, with a balance of 42 per cent reporting higher levels. The mail order sector, however

went against the overall trend, with both sales volume and orders placed on suppliers rising strongly. The balance of wholesalers reporting higher sales in March compared with a year ago, at 29 per cent, was the second lowest since the survey started. Sectors which were particularly disappointing were finel and energy, durable household goods and clothing, tex-

tiles and footwear. Like retailers, however, wholesal ers are optimistic about the pros pects for April, with a balance of 49 per cent predicting an increase in sales volume compared with the same 1983 month.

Orders placed on suppliers showed a slight increase in March over a year ago, with a positive balance of 17 per cent, but a more substantial rise is forecast in Anril with the balance rising to 30 per cent.

Wholesalers reported higher than expected stock levels in March and in April they are also predicted to be substantially up on a year ago.

The number of respondents to the motor trades section of the survey has increased substantially to 143, increasing the reliability of the results, but the CBI believes the figures should still be treated with some caution.

Motor traders reported a slight fall in their sales in March compared with a year ago, but are expecting increased turnover in April. Orders in March were at the same level as in the same 1963 month, but

growth of Japan's security market is on the rise. Quotation Information Center K.K. (QUICK) brings you closer to this economic whirlwind with instant access to information.

As Japan's largest quotation information service company, QUICK gives you real-time, on-line access to a host of computerised data. Not only the latest developments vis-a-vis the Japanese securities market, but various other types of fresh economic insight from Japan and abroad. As recently as April, our Bond Money service was expanded from Hong Kong and Bahrain to include the London market, completing our total range of financial information service.

Combining high-speed, large-capacity computers with advanced data communications technology. QUICK puts a world of information at your fingertips. A computerised network extending from major financial centres in Europe, the U.S. Hong Kong and Australia, to promising new centres such as Singapore and Bahrain.

.ธิตัวเฮีย 🤲	
- スミトモナマ -	T
C 1730 (15:07) (1971-294 h)
+80	and the second sec
0.1660. (9:06) - ೧೯೯ <u>೯</u> ೯
H 1760 (14:40)	
L 1650 (9:08)	
0 25919 (15:50)	

• QUICK Video-I is the most widely used model in both Japan and abroad. As of April 1984, approx. 7,300 terminals were installed in the world. It is used in more than 2,000 securities company offices, banks, insurance firms, trust companies, institutional investors and by general industrial companies for asset management purposes. Receiving over 7 million in-quiries daily, QUICK Video-I has become ndispensable tool, particularly rities and financial businesses.

•QUICK Video-BM (Bond Money), first available in April, is an integrated infor-mation service on the bond and money markets. Diversified information sources include Exchanges, securities companies, Japan Securities Dealers Association (JSDA), the Nihon Keizai Shimbun, etc. (SDA), the Nihon Keizel Shimbur, etc. Available through this system are listed bond prices, OIC (over the counter) bond prices, bid and asked prices via JSDA, all loan rates, bill discount rates, and other data pertaining to bond and money mar-

QUICK	Quotation In	nformation	Center	K.P
WUIVN	828 Otemachi Bldg., 1-	6-1 Otemachi, Chiyod	ia-ku, Tokyo 1(00, Jap

Address

Telephone

F	
Quotation Information Center K.K.	Name
828 Otemachi Bidg, 1-6- J Otemachi, Chiyoda-ka, Tokyo 100, JAPAN Telen: 02226709 OUICK J	Tuie
I were too to us were accorded and a	Company

I am interested in QUICK's total financial Information services. Please send me additional information.

TECHNOLOGY

CONTROL DATA AND PHILIPS INVEST IN OPTICAL RECORDING Memories of a silver disc

BY WALTER ELLIS IN AMSTERDAM

IT IS a melancholy thought but the type output of an office secretary's entire 40-year career can now be recorded on a single side of a digital optical storage disc.

8

On second thoughts, not so much a melaocholy thought as e sad reflection. For if the secre-tary concerned were to gaze into the laser-scorched disc itself -perhaps pondering on the relevance of the work ethic to late 20th-century office routine -the gaze would be beamed back from its brilliant, mirrorlike finish.

The digital optical storage disc, developed by Philips of the Netherlands and Control Data of the U.S. is a spin-off from the Dutch group's Laser Vision and compect disc audio technology. It looks just the same but is a little bigger than either of its shiny predecessors, being 30 cms across-the same size as the traditional audio LP which the compact disc is out to replace.

Philips and Control Data have already spent \$40m on develop-ment of the disc and intend laying out a further \$200m over the next two years through a new joint venture, Optical Storage International (OSI). They reckon that their revolutionary new product can capture 15 per cent of the world "memory market" withhn two years of its introduction and that the 50 per cent mark will

Philips and Control Data have already spent \$40m on development of the

disc

he reached by the end of the decade.

The discs, with their attendant pleyers, will be aimed initially at the burgeoning archive market. Libraries of every kind, public and company filing systems, hospitals—in fact all those institutions which require detailed, accurate and permanent storage of their dayto-day histories-will, we are assured, turn to digital optics almost in the twinkling of an

eye. If they do and, more importantly, if scientists can discover how to make the discs reuseable so that they can be incorporated into shorter-term retrieval



The optical recording disc at 20 cms diameter is slightly larger than the Laser Vision consumer video disc shown above. Some \$200m will be spent on its further development

the 30 or so other corporations engaged in similar research come up faster with marketable systems, a lot of money will have disappeared down the R and D drain. In optical recording, a laser

beam of specially high intensity burns holes into the pre-laid tracks of a sensitive metallic layer between two glass substrate discs. The absence or presence of e bole defines the message for the resulting digital reader. The laser reader directs its beam through the surface of the disc -which is seeled into a plasticwrapped "sandwich" to prevent contaminetion-and when the light falls on a flat, reflective Massive memory capacity is surface it is reflected back along the other main marketing the same path. In this path is a feature of the disc; as the holes the other main marketing

way into the disc, bits a hole, different intensity than one from at unpitted surface. In this way, there is regular intensity into the two of the two the two of two of the two of two of the two of two of two of two of two of the two of two of

an unpitted surface. In this way, used with the discs will be made there is regular intensity modu-lation. Different patterns of hole-The American computer comno hole translate into the more pany is one of the world's and information storage indus-conventional one/zero format largest producers of disc-drives try of the late 1980s and with which today's school and has worked closely with byyond.

systems. Philips and Control children are rapidly becoming Philips on optical disc tech-Data could be on the thresh-hold of something really big and important. If they do not, or if permanent character, and this is coordinate research. OSI is the permanent character, and this is co-ordinate research. OSI is the probably the most important dif-ferences with existing model permanent character, and this is co-ordinate research. Usi is the probably the most important dif. continuation into sales and ferences with existing media marketing of these first ven-based on magnetic storage tech-tures. It bopes, by huilding on nology-principally megnetic its early lead, to stay ahead of nology-principally megnetic tape. The optical disc can hold nology—principally megnetic its carly lead, to stay alead of rape. The optical disc can hold the competition, represented by on to information for et least 10 no fewer than 33 companies years, and even then informa- worldwide, including Sony, tion which it is feared may be Hitachi, Fujitsu and Matsushita

tion which it is feared may be decaying can be freshened up by of Jepan, Rank Xerox of the U.S. and Thomson-Brandt of means of e sort of electronic "Alkaseitzer." Until researchers France. "Alkaseitzer." Until researchere have discovered bow to make Now, with the technology the discs alterable end re-still in its Infancy, only Philips the discs alterable end re-still in its Infancy, only Philips

the discs alterable end restill in its iniancy, only initially useable, the permanence feature itself, with its "Megadoc" is likely to be something of a office system, and Texas instru-mixed blessing, but it certainly ments, with its "Laserdrive represents an advance in its own 93127" recorder, actually offer field and should prove invalue optical disc equipment. A number of other drives are, number of other drives are, however, currently being tested by a further 19 or so high-tech manufacturers, and the autumn of this year could see an im-portant systems lounch.

Without a re-usable facility which is not expected for another two-three years, digital optical discs will cause a gleam mainly in the eyes of archivists. But the idea is, at least, off the drawing board and on to diac and could well become a stan-dard feature of the computing

SOFTWARE SYSTEMS Office automation at a stroke

BY ALAN CANE

A Charles and A

SOFTWARE SCIENCES clearly office is the lack of an does not suffer from the efficient mechanism which debilitating "not-invented here" allows their staff to comdoes not suffer from the dehilitating "not-invented-hers" syndrome which handicaps municate one with another. Software Sciences used a syndrome which handicaps so many UK high technology Software Sciences used as its model the idea of the "working companies.

model the idea of the "working group," a small group of office workers who deal with a particular ectivity, who func-tion as a unit and whose work-ing methods can be defined were included. It has taken one of the better philosophies of office antoma-tion-the concept of the "working group"-and added a novel piece of office automation software developed by Xionics to creete something thet comes close to the idea of the "intelligent workstation." very precisely. ment office, the contracts office, the purchasing care and, of

Software Sciences is a rapidly Software Sciences is a rapidly growing systems house, part of the Thorn EMI group. Abouts is a small office automation suplier with the signal distinc-tion of having been given the activity. It talks to practitioners finding out what their job entrils and what they need of job of automating the Cabinet Office.

an automated system. The Software Sciences Press system works like this (remein-Office. Last year, Xionics lannched a product which it believed hrake pew ground in the "electronic office." It launched a product which it called Keystroke Procedural Language (KPL), basically soft-ware which mede it possible for an office worker to "teach" his ber that shi the time-consuming sequences have been reduced to one or two key depressions

an office worker to " teach " his or ber computer to carry out routine and tedious keyboard operations.

An example might be the sequence of operations necessary to make contact over e telephone line with a computercretions). Then e "conference" is set up among the commentators, each of whom can call the release to his or her screen hased information source and request a particular set or sets of data. It is all time consuming and

When the final version is produced it can be cleared for error prome. But using KPL, the error prome but using RFL, the entire procedure can be re-duced to e single key stroke. Software Sciences, based in Farnborough, saw KFL a a way to realise its notions of office automation. Mr A. F. Crossley of Software Sciences says: release and the publishing mechanism invoked. Copies are printed, labels prepared, further copies downloaded to telex or to viewdata. A PR-line automation mr A. F. Crossley telex of the viewant A formation of Software Sciences says: of information is created to "Now even Xionics is surprised help with answers to queries." at what we have managed to do That sequence, simply with KPL." described good 'Press' office: Mr Mike Bevan, managing practice, Where 'Press' differs.

director of Xionics says: ".Seftware Sciences has made the greatest progress we have yet seen in the use of KPI. It has developed extremely clever and Mike Bergh notes; "When these terminals go into the user sites, they are already prepared and the system, gets off the ground much more galakly." imaginative ways of threading together all the things that have to be automated in the effice."

The first fruits of Software Sciences' work will be launched shortly. Called "Press," its first KPL-based product is designed to eutomate a company's press its paces soon, First taker is Mr John Fogg, information services manager for the British office. Software Sciences points Ball Press office. out: "The chief fact constrain." Software Sciences is an 0252 ing the operation of my press 544321, Monics on 01-636 0105. ------

EDITED BY ALAN CANE

Manufacturing

Design

seminar

course, the Press office. Its approach is similar to each

INTERNATIONAL AN AN INTERNATIONAL seminar on computer alded manufacture is to be held from May 8 to 10 in Montreax, with an associated industrial four to companies such as Siemens and Messerschmitt Bolkow Blohm.

Belkow Blohn. There will speakers from Rolls Royce. Union Carbide, the Philips Centre for Lumi-facturing Technology, the UK Department of Trade and Industry, A. D. Little, Ingersall, ASEA, Lockheed, Okt Electric and other organi-sations of similar calibre.

The registration fee for the conference only is £250-\$275 and further details can be obtained from the organizers. CAM-1 Inc. Newfoundland House; Poole Quay, Dorset (0502 670717).

Computers.

Colour

using KPL). A draft Press release is pro graphics duced, and a circulation list of commentators generated. A single individual is given the COLOUR GRAPHS and charter anthority to sanction the release (no more embarrassed follow-up letters correcting errors, ambiguities and indis-cretions).

COLOUR GRAPHS and charts can be made with a badness graphic program for Philips P2000C pertable computer. The program from Damter is intended for bury executives who need to present data in-graphic form at meetings and in documents. in documents. Pie, line and bar charts can be produced in colour. Data-plot can be used wilk a range of CP/M programs including WordStar and CalcStart. More and add comments or reduct details from Phillips - in Vienna, Austria on 43 222 94

Storage. Bubble is that all the mechanics are ready built into the Press officer's workstation. Mike Bevan notes: "When

memories

HITACHI has a bubble memory cassette for computer data, storage capable of holddata storage capable of hold-ing im bits of data. The company mays that the bubble casectle has use in a which range of industry and com-puter applications. More details from Hitschi in Harvey, Middlever, on 01-861 This being the age of the train, Press will be put through 1414

Financial Times Tuesday April 24 1984

GENERATING SETS - 2.5kVA-5MVA-Standby or Prime Power. Stationary, Portable or Mobile.

Dale Electric of Great Britain Lid Electricity Buildings, Filey, Yookshing YO14 97J. Tel: 6723 514141 Telex: 52163

Components

Production links

INTEL CORPORATION, one of the largest U.S. semiconductor makers, has signed a inanufacinging . agreement with Marconi Electronic Devices, part of the UK General Electric group. This second source contract allows Marcont Electronic Devices to make telecon

contronents It is the first time that Intel has signed a manufacturing agreement of this kind with a UK company.

Tee

spa

10

-

:21

121.

¥с.,

· . . .

The semiconductor circuit to be made by Marconi is to be made by Marconi is made in large quantities in such as System X found throughout the world. Its use is to convert analogue speech signals into digital once for transmission and vice-versa. Such circuits are called codecs — coders/de-

Agriculture

Farming information

FARMERS CAN now obtain more information via the Prestel Farmlink service lannched April 12. It will provide a national directory of data, product and services. Barle, which is providing Farminek, said that informa-tion includes weather reports, livestock market prices and commodity futures.

Farmers can compute prices or place orders at any time of the day or night. Baric has also written an interactive program which allows subscribers to calcu-late: wages and PAYE by using a viewdata screen and herboard. More details from Baric on 01-890 1414.

如何在国政部的任何在今日本。 19 and the second The state state is a string of the state of Torne Same

a sasta agric 🖬 🔅 🕈

Mitsui O.S.K. Lines: Time, Tide and Transportation.



Ocean transportation remains as much a primary means of commerce among nations in this age of extra-terrestrial expansion as it was a century ago when Mitsui O.S.K. Lines first committed

itself to bringing shores and peoples together. So much and yet so little has changed since then. Today, Mitsui O.S.K. Lines is one of the world's premier shipping companies with the latest

technology and equipment But like the steadfastness of the ocean itself, the company's commitment to service remains. And will, as long as there are oceans to sail.



London ECSM SHP Te phone: D1-283 7081/8 LONDON BRANCH - Plan rcies Ltd. 450 High Road, Ilford, Essex, IG1 1NA Telephone: 01-553 331



Lytham, Lancashire, is a subsidiary of UniDynamics Corporation.

Working to build technology strengths in electronics, specialty materials and automation, the new-UniDynamics is expanding its market niches in aerospace, defense, transportation, electronic retailing and automated manufacturing. At the same time we're strengthening management, enhancing productivity and sharing

expertise among our businesses. The new UniDynamics. A dynamic company worth watching. For a copy of our annual report, write our Chairman and Chief Executive, H. Ridgely Bullock, UniDynamics Corporation High Ridge Park, PO. Box 1090. Stamford, CT 06904;

FINANCIAL TIMES SURVEY

Tuesday April 24 1984

Direct Marketing

The annual symposium in Montreux at the end of this month will discuss national experiences. Judged by the UK standards, the industry has seen strong advances in the direct mail sector and an improvement in its public image

mat in a week.

Technology helps to

span the frontiers

THE DIRECT marketing industry is in good heart. It is improving its reputation as an effective channel for selling (and communicating) at a time when users are taking more interest in its possibilities.

This is mainly because of the rising cost of other advertising media, especially television. Companies now spending many millions of pounds on a TV advertising burst are likely to at least pounds on a TV advertising burst are likely to at least consider an alternative.

Direct mail, the major part of direct marketing is now in a better position to present its case. Some 18 months ago 54 direct mail producers, supplies of anything from envelope stuffing services to lists, came together, with Post Office back-ing, to form the Direct Mail Sales Bureau to promote tha medium

.

9

7-

-

業業チ

The Bureau has concentrated not only on telling potential users about direct mail but also offers a service, producing a campaign if companies are in-terested. Much of its time has . been spent talking to advertising agencies, once generally an-tagonistic to direct marketing

By ANTONY THORNCROFT and Mather have recently following the insurance com-boosted their direct marketing panies and unit trust operators divisions and 70 per cent of the in communicating directly with

10 campaigns handled by the Sales Burean in its first year came through advertising agencies, who provided the creativa work while using the specialists for run of the mill activities. the public.

ing agencies, once generally an-tagonistic to direct marketing but now conscious that they must be abla to offer their rilents this complementary mar-keting service. Agencies like FCB, Benton and Bowles, Greys and Ogilyy in 1982, making it larger than guarantee uses to make toilow-important rivals like magazines up pitches. There is also much more in-most as big as the national press, and al-there is also much more in-most as big as the national press terest in advertising potential pur-there will not bava been any chasers to the goods, be it a new growth last year because one car or a magazine, rather than big sector, mail order (those seeking a direct sale. All this

weighty catalogues) had a had patch from which it has now recovered. The overall trend is npwards, especially for the basic direct marketing — com-mail to the home or office. Tha papies can measure the papies can measure the response. Unlike advertising campaigns a direct campaign to province. Along with Acorn has come the Consumer Location system which is the main thereficiary of increased activity earning about 5200m postal revenue, reckons that tha number of items of direct mail circulating around the country more than doubled between 1975 to 1982 to over 1.1bn, with a big switch in the total to

This great selling point now makes much more sense with the improvements in the preblg switch in the total tocision of the targeting which have followed from technologi-In 1975 the traffic split al-have followed from technologi-most half and half: now over cal breakthroughs, involving 70 per cent goes to consumers, the electoral roll and the com-Even so this only works out at 0.7 direct mall shots landing on each household's front door country into small areas accord-ing the a wise

ing to their affluence or other-wise, removes much of the waste What kind of material is wise, removes much of the waste arriving through the post? Fin- from direct mail. It does not aprial marketing remains a always work : a recept survey suggested that through some aberration multi-ethnic communities received above average amounts of travel propositions when in practice they rarely

10 campaigns handled by the Sales Burean in its first year came through advertising agencies, who provided the creativa work while using the specialists for run of the null activities. Direct mail was worth £54im in 1982, making it larger than important rivals like magazines has been transformed into the

sbots, and an own cus mailing about £150-£200.

On the other hand an expensive direct mail campaign to a small and select target group in the business area might be £1,000 a thousand. Of course the use of word processors has improved the personal element

in even the most conventional mailing shot. mailing shot. The formation of the Direct Mail Services Standards Board has sorted out some of the abuses and the Mailing Pre-ference System, which enables people to say they do not want to receive direct mail. also goes some way to meet criti-cisms.

The main recent gain, how-ever, has been the influx of pro-fessional marketing and adver-tising people who find direct mail a challenge rather than a rival to the cosy commission system. Direct mail has a bright

Thera is also much more in-terest in advertising through the post, alerting potential pur-chasers to the goods, be it a new motion bas also been beld steady car or a magazine, rather than by tha Post Office's retention of fering from high unemployment

IF ! EVER FIND OUT HOW THEY GOT OUR NAME AND ADDRESS

len off. This is less to do with its effectiveness than over-enthusiasm. Companies roshed in to sell a widening range of goods directly and the offers started to cancel each other out. started to cancel each other out. The survivors are doing well and the creative lessons learned should lead to more, but slower, expansion in this sector.

Bewildered

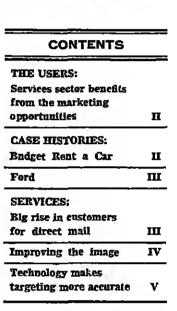
Keing, One consequence of techno-logical change will be to inte-grate the international direct marketing business. The com-panies which dominate as users, Readers Digest, American Express, Time Magazine, use it multinationally. Unlike adver-tising campaigns, the techni-ques of direct marketing can be fairly easily adapted to national needs. In the same way direct sales through television, although en-couraged by discounts by some TV contractors, has not proved the important breakthrough that it seemed. Here again con-sumers were sometimes bewildered by choice and preferred the reduced prices in shops.

Using the telephone for sell-ing is a difficult area. It is growneed second class postage at 121p for and price cutting in shops. ing, but U.S. experience sug-

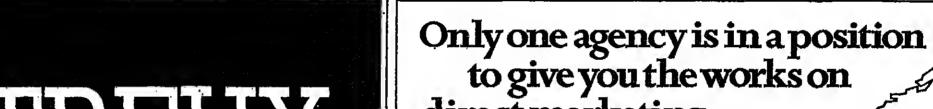
As for caple, and the vision of the housewife shopping at home, responding to direct sell-ing pitches with a press of a button which docks her credit card, this now seems less credible than it did a few years ago Once again American exthe UK will be slow and uncer-tain. It does not offer any immediate threat to the established channels of direct marketing.

> **Technology** makes targeting more accurate

That is why the annual sym-



posium in Montreux is useful : it brings together national ex-periences which have international uses.



Direct selling from the pages of magazines (as well as the more traditional "shopping" ads in newspapers), which three years of direct response. ago was making the Sunday sup-plements as weighty as mail order catalogues, bas also fal-home, responding to direct sell-ing with a newspaper of the support o len off.

More than 2,000 leading executives will be there. From many countries. From many fields. For many reasons.

To learn. To hear To see. To discuss. Tomeet Toshopina marketplace of ideas.

Speaking will be Memill Lynch Vice President William Waters, Ogilvy and Mather Vice Chairman Mike Chapman, British Direct Marketing Association Director General Anthony Painter, Folio Publisher Joe Hanson, AMEX, BP, Volvo and many more. Keynote presentation will be made by Chairman of the Board of Directors of Berteslmann, the leading German media house, Dr. Mark Wössner

Presenting their new products, systems, techniques, and services will be over 150 major international exhibitors. From sheet laser and inkjet printing, to personalised magazines and computers. With special exhibits including the European Postal Administration Services and the worldwide Catalogue Show

A must for ad agencies, banks, retailers, manufacturers, publishers and all concerned with marketing effectively to know what is going on today in direct marketing. To hamess the technological advances. To be prepared for tomorrow. And above all to remain competitive.

To be found at one place, under one roof, at the 16th Montreux Direct Marketing Symposium & Exhibition, Switzerland, This Spring, From 30th April to 4th May

Contact Evelyne Blöchliger, Marketing Co-ordinator, Montreux Direct Marketing Symposium & Exhibition, Neumünsterallee 6/PO Box 214, CH-8032 Zürich, Telephone: Zürich (1) 69 48 20. Telex: 58 896 adres ch.



direct marketing

In a week's time, people from all over Europe will be visiting Montreux to hear the very latest theories on direct marketing. Reading this article will give you some idea of the topics they'll be discussing. But what happens when you want to stop reading and start doing something about it. Whether you are a seasoned

direct marketer or one of those companies seriously considering the subject for the first time, you may like to know that one agency is better placed than any other to put it all into practice.

As the world's leading direct marketing agency, Wunderman has the experience to handle everything from internationally co-ordinated programmes to the launch of a single product. So if you want results that look as good in the annual report as they do on the conference room wall, come and talk to us at Montreux. Or telephone your local Wunderman manager, who will ⊜ be pleased to discuss your current areas of interest and send you a copy of our brochure.

Michael Kilby, Wunderman International Ltd. Greater London House, Hampstead Road, London NW1 7QP. Tel: 388-676L Th: 25197.

David Stokes, Wunderman International, 250 Avenue Louise, B-1050 Brussels, Belgium. Tel: 648 88 80. Thr. 22588.

Jorgen Klausen,

Wunderman International Direct Marketing A/S, Selvgrade 10, DK 1370 Copenhagen K, Denmark. Tel: 12-55-50. The 22235.

Christer Holmberg, Wunderman Direct Marketing, Riddargatan 17, Box 14104, S-104, 41 Stockholm, Sweden, Tel: 60-42-70. Tix: 10342 RINCAD S.

Cas Sacys, Wunderman International BV. Ottho Heldringstraat 27, 1066 XT Amsterdam, The Netherlands. Tel: 17-09-24, Tix 14170.

Manfred Heuser/Claus Mayer; Wunderman International Direct Marketing GMBH, Bayerstrasse 21, D-8000 Munchen 2, Germany. Tel: 558291. The 528229.

e

Rainer Mirau, DMS GMBH, (Telephone Marketing), Zeil 115-117, D-6000 Frankfurt AM Main, Germany: Tel: 282757. Thr: 411565.

Richard Stollenwerck, Wunderman International, Tour Essor 93,14 Rue Scandicci, 93508 Pantin Cedex, France. Tel: 331 843 6131.

Affiliate Young & Rubicam offices in:

Berne - Contact Claude Bosset on 25 51 33. Madrid - Contact Alfredo Bonilla on 456 3113. Milan - Contact Chris Needham on 7732. Milan - Contact Stein-Erik Selfors on 37 9918. Oslo Vienna - Contact Alois Schober on 63 66 8L



WHERE TO GO FOR SOUND **DIRECT MARKETING ADV**

ON YOUR MAILING LISTS. Even the most persuasive message is wasted on the wrong people. Choosing the right list or the best segments of that list is critical.

Even more vital is organising your own list. Il that's wrong, the very loundations of your business are shaky.

As you know, Reader's Digest are the experts on this. Stewart Pearson spent 8 years with them, working on List Analysis, Segmentation and Name Selection, before becoming a Marketing Manager. He's an ideal advisor on lists.

You can reach him on 01-379 3555.

LOOKING AT THE TELEPHONE? The telephone is so powerful that U.S. marketers or the press. Melanie Howard spent three years helping build the first U.K. telemarketing agency to use scripted and controlled techniques; the agency that established telephone in this country as a serious Direct Marketing medium.

In her role as Project Development Manager there, she learned a great deal about the pitfalls as well as the opportunities telemarketing offers. You'll find her down-to-earth approach very relreshing

You'll find her above the Pineapple Dance Studio in Covent Garden.

INSURANCE AND FINANCIAL. This is the ■ Marketing business. You will get sound advice from Ian Dewar, who worked on the first insurance Direct Marketing in this country, or from Shannon O'Hara, who has been involved in bank and loan advertising for the past six years. Il you're in the Investment field, Sabila Din, until recently with Reed Stenhouse Gibbs is a useful contact.

They can all be reached at 7 Langley Street, London WC2H 9JX.

BUILDING YOUR BUSINESS, If you want to build your business faster, Brian Thomas can help. Whilst working in senior marketing positions with ICL, Marshall Ward, Studio Cards and Early Learning he was responsible for over 500 mailing packages and has a fund of practical advice.

To get hold of him quickly, telex 268920.

7 LANGLEY ST. LONDON

5 EVALUATING YOUR OPPORTUNITIES. Do you want to talk to someone who can take a broad view of your business? Try Drayton Bird, author of 'Commonsense Direct Marketing', the first U.K. book to reveal the principles of today's Direct Marketing. Already in its second edition, it drew praise not only from reviewers, but even from competitors. One agency Managing Director, observed: "it would be a steal

at \$100," whilst the Chairman of another commented: "full of good sense, wit and relevant anecdotes.

You'll find Drayton Bird at Trenear-Harvey, Bird & Watson.

UNDERSTANDING YOUR PROBLEMS. You'd probably like to share your problems with people who have experienced them first hand. No less than lour people (including the Managing Director and the Creative Director) at THB&W have either owned or managed Direct Marketing businesses. You will find their practical experience invaluable.

If you are a conventional marketeer seeking to try Direct Marketing techniques, you should meet the people at THB&W who helped companies like Coca Cola, IBM, Sun Life ol Canada and Carreras Rothmans get into Direct Marketing. They have a wealth of valuable experience to share with you. In no other agency in Britain will you find such a range of expertise.

CREATIVE RESULTS. THB&W consistently turns out work that wins split run tests, and exceeds projections (by big margins like 200% in two cases this year) for extremely

demanding clients. Clients like Reader's Digest, Odhams Leisure Group, Citibank, Fine Art Developments, British Telecom Telemarketing, Cornhill Assurance and McDougall's Catering Foods.

You may need advice on space advertising, inserts, TV or radio. You may be looking for shrewd media buying or ingenious print formats. Whateverit is ning up one of the people listed here.

You'll find them knowledgeable, enthusiastic and happy to advise you. And if they can't answer your question, you can be sure that one of the 35 people at THB&W can.

Trenear-Harvey, Bird & Watson Ltd., 7 Langley Street, Covent Garden, London WC2H 9JX. Telephone: 01-379 3555, Telex: 268920. Telecopier: 01-240 2044.

DIRECT MARKETING II

A wider range of user groups is appreciating the industry's. marketing opportunities says Feona McEwan

Strong rise in use by services industry

SO, WHO uses direct marketing techniques? Given that an average bousehold in the UK is on the receiving end of some three unsolicited items of litera-ture a month, it is likely that every one of us has some idea of the scope of this hig business. That's just the direct mail sector of the direct mail se SO, WHO uses direct marketing Theoretically, any one with a product or service to offer is a prospective direct marketeer. The type of user groups is growing at a galloping pace as more sectors wake up to the unsung marketing opportunities of this advertising medium. With the advance of communications technology and the sophistica-tion of the identification and location systems on which mailing lists are based, fine target-ing, which is the direct marketeers' chief weapon, is increasingly recognised as a cost-effective means of expand-ing business at a time when value for money is the catch-

phrase. What was once tha provence of clubs, be it book (Reader's Digest pioneered the way in the Fifties) record or motor (the Automobile Association is an experienced practitioner) has, 30 years later, mushroomed beyond recognition: insurance houses to contraceptive sup-pliers, charities to holiday firms, bookies to animal welfare trusts ... they're all using the service.

Outstripped

Small businesses of every hue are learning bow to put on weight tha direct marketing way. And we as consumers are subjected to such messages both at home and in the office. While vital statistics of this disparate medium are hard to come by—who knows, for instance the market share of the

UK inland 1102 104% Direct Mail Volume 622 24% (million items) 540 260 780 779% Business 280 Consume **UK Direct Mail Expenditure** '82 £18m £1986m £70m E124m £928 DIREC.I MAL £341m

booming too," comments Brian ...more exposed to it and also that Holland of Holland and Part- advertising has now developed pers, one of the largest UK into a more comprehensible b-to-h agencies. format using simpler methods More and more companies, he of response.

Retailers and their optitude says, are now alert to the increased costs of running a sales- for advertising are renowned force and direct marketing to and a major influence of the deploy their time most profitage. Direct marketing is no different

ably. It is widely recognised that "It is significant that many major retailers such as Habitat, Mothercare, Laura Ashley, The there is a fundamental shift in marketing strategies with advertising expenditure moving Reject Shop, fashion and mens-wear chains Debenhams and away from the traditional areas of fast-moving consumer goods other department stores, are all now using catalogues and direct to the customer selling to detowards services and con velop their franchises and sales," says Frank Casey, a director of the Brunnings Group; of advertising agencies.

disparate medium are hard to towards services and consumer come by—who knows, for instance the market share of the knock-and-drop approach—it falls to direct mail, with the enthusiastic backing of the Post Office, to give the medium some substance. Increasingly, they say, con-sumer items are outstripping the business-to-business sector of the market. Whereas direct advertising agencies, told an anil was split in a 52:48 ratio consumer:husiness to-business in buyers "the shift towards dis-tice target markets (the more important, as against the broad shotgun approach of. broad mass media (such as satellite television); Michael Manton, chairman of the business-to-business sector of the market. Whereas direct advertising agencies, told an mail was split in a 52:48 ratio shifted to a 70:30 balance. In other words, judging hy vilume

· AA Seld

dvertising forces) insurance companies, credit cards and unit trust funds are already well versed in direct marketing procedures, having acquired the habit some years ago.

Financial Times Tuesday April 24 1984

14

It was noted as a milestone and an acknowledgement of the medium's success when the Pru-dential, the quintessential door-to-door aellers, last year, took the "direct" route and included marketing incentives in with their mailed bonus notices.

In February this year, Fram-lington Unit Management's Japan and General Fund was Japan and General Find was launched with a mixture of off-the-page press ads, unltholder applications and intermediary sellers. A record response, elicited some £9m from press which accounted for 43 per cent, the line's charge of the 1012 rethe llon's share of tha total re-

Burgeoning.

Leisure and recreational activities are another burgeoning area for the direct marketeer. Brann reports that a mailing of some 300,000 Butlin customers, at a time last year when the holiday caterer was drastically cutting hack, netted over £25m worth of holidays. Portland, the Thomson Holiday sub-sidiary, which spent about £2.5m in above-the-line advertising last year, is reputed to have changed direction and concentrated on mailing past customers with the result that they are already sold out

Notable, if unlikely, recruits to the direct response advertis-ing include Ladbrokes which undertook a mailing of existing punters in a drive to drum up further business. Last year the Irish Rugby Football Union organised a direct mail shot to 30,000 professional groups and companies in a bid to raise £2m for a new grandstand, in the event it secured £21m.

"We are beginning to see cam-paigning and opinion-forming literature arrive, something that is common in the U.S.," says Brann's Carter Robertson.

The recent spate of lobhyst literature from the Inter-national Fund of Animal Welfare, demanding consumer action in protest against the Cayadian seal cull, by way of flooding plocal asymemathetic flooding -- local -- supermarkets

Many are now realising that urging a boycott of Canadian if they are incurring costs in fish is an early example of this. sending out bills it makes com-mercial sense to make the jack-age work that much harder. consumer attention, there is a Thus you find inserts along feeling among advertising with your invoice with news of agencies already involved in a special promotion, sale or the field that indess mainstream the field, that unless mainstream

How to get more

from your mailing list, in 15 minutes.

(3,900 square feet: all the Direct Marketing advice you need on one floor.)

With a minimum of additional effort, you could be working profitably with Ambassador Life, one of the country's leading direct response life and health insurance companies.

We've even produced a 15 minute video presentation to prove it.

It shows how, with your list of contacts and our long experience at developing successful policies to be sold by post, we can both expand our business considerably.

The video also gives you conclusive case histories of companies like yours who have already got together with Ambassador.

You'll see how easily you



can open up a source of substantial extra income. While, at the same time, offering your customers instant benefits you couldn't ordinarily provide.

So if your mailing list includes 10,000 names or more, in usable form, this is an opportunity not to be missed. To see our video in the privacy of your office, and have an informal discussion, ring John Paterson on 0202 292373 or send us the coupon.

It could just be the most profitable 15 minutes you've ever spent.

DIRECT MAIL INSURANCE PROGRAMMES
To: John Paterson, Ambassador Life Assurance Company Ltd., FREEPOST, Bournemouth BHB 8XH. Please arrange a New Opportunities Presentation for me.My video format is VHS BETA 2000 U-MATIC No video Please to too J
Name Position Company
Tel No Address

AMBASSADOR LIFE

not value the business-to-busi-	market identification techniques
ness sector grew 29 per cent in	more sophisticated
that time compared to consumer	"That can only benefit direct
advertising which bas increased	mail." He continued, "judging
179 per cent	by its share growth and that
"The market in general is	number of advertisers who
extremely buoyant at the	come back for more, direct mail-
moment. There's almost too	must be doing something right"
much business to handle," says	Consumers are also becoming
Graeme Robertson of leading.	more confident about using:
agency Christian Brann. "The	direct marketing, as one agency
business-to-husiness sector is	man put it. "He has become

CASE HISTORY: BUDGET RENT A CAR

Sharper drive for business travellers

WHEN A MARKET is domi-nated by a brace of well-known names, as the car rental busi-ness is in Europe with Hertz and Avis, it poses major headaches for rival con-tenders tenders.

tenders, Budget Rent a Car Inter-national, the franchise arm of the American car rental company, responsible for the UK, Europe, the Middle East and Africa, and lying third in the European league table, faced such an image crisis last year, when it found itself viewed by many as the poor viewed by many as the poor relation of the rental business. Vet the service it provided throughont its 600 European locations was, it felt, little different.

In a bid to widen the scope of its operations, Budget set out therefore, to secure a stronger presence in the inter-national business traveller market, at the same time, enhancing the company image and increasing awareness of Budget as a force in the field. Together with direct marketing specialists Stadden Hughes of Fitzroy Street, London WI, Budget decided to focus on the car rental credit or identification card, a well proven technique for attracting the business

traveller The objective was to promote the company VIP Traveller card, which entitles the holder to unlimited mileage throughout Budget offices worldwide. Applicants for the card would also pro-vide a useful mailing list for selling further services to, and possibly an introduction to a number of new company accounts.

The strategy selected for offering the VIP traveller card was direct response advertis-ing with the added incentive of a leather luggage tag as a free gift. This was deemed a

Ali an fight

timely idea in the light of the recent IATA regulations requiring baggage to be clearly tabelled. Inflight magazines were selected as the vehicle for the campaign, with their reader-ship heavily orientated to-wards business travellers thus whits business travellers into identifying the target as well as providing instant oppor-tunity for readers to act-at-the end of the flight-on the offer. High Life, the British Airways ungazine, Atias, the Air France ungazine and Bordbuch, the Lufthansa publication carried the campaign

simultaneously. To boost the impact and enhance the company image full colour pages were used, except in Bordbuch where

they were not available. "Announcing the arrival of two first-class aids for the business traveller," read the ad headline referring to the VIP traveller card and the leather inggage tag. Readers were invited to respond either through the coupon provided or directly at a Budget airport desk.

A response package consist-ing of VIP card, luggage tag, 10 luggage labels, and a mini Budget worldwide directory complete with reservations numbers was devised for ents.

So what about response? some 500 coupons per country, were filed, which exceeded Budget expectations by some 20 per cent. The total campaign for the three countries over some 590 coupons

three countries cost about 530,000. The quality of res-pondent was encouraging with more than 90 per ceni at director level. There weralso a number of "walk ups" at airport desks,

Feona McEwan

Decialised and dentification techniques offer in an effort to generate more store traffic can only benefit direct

Catchment areas

Many are now realising that

agencies - mbre preoccupied with above the line media like precisely and can identify their customers by name, a powerful huge market which will not-flourish as it should and as it marketing tool they are begin-ning to exploit. is doing overseas from Australia to the U.S.

The sama applies to banks which possess sufficient finan-cial information about their cus-The annual International Direct Marketing Symposium in Montreux next week attract-ing some 2,000 delegates repre-senting major business interests around the world, is witness to many marketeers predict rapid growth. Elsewhere in tha finuncial sector (which as a whole the potential opportunities of is one of the fastest emerging the direct marketing scene.



Finance is currently the fastest growing area in direct marketing. At Sun Life, we are able to boast several years successful experience of actually making direct marketing work for numerous third party client organisations.

To find out how direct marketing can help you improve your existing customer or membership base, send now for Sun Life's free explanatory guide. Fill in and post coupon or telephone: Paul Robinson

or Steve	Gapper on		Y
0272	-428481.		3

AJESON	5
SEAT IT	
m Lit	

POST COUPON TODAY-NO STAMP NEEDE	D
To: Sun Life Assurance Society PLC, DEPT DIR MKT FREEPO PO. Box 290, BRISTOL B\$99,7XY	ST,
-Please send me a copy of Sun Life's "The direct approach."	:
Position	
Company	7.
Address	
Name of Insurance Broker (if easy)	
	÷

DIRECT MARKETING III

David Churchill discusses the array of services on offer by the UK Post Office Personal touch pays with direct mail

the array of services on offer

First time users in particular are especially wooed by the Post Office. Companies or orga-nisations which have oot used direct mail before may be eliglble for free postage oo from 1,000 to 3,000 letters of their first mailshot, depending on the overall size of their mailing.

Companies that already exten-sively use the post for their normal business — spending hormal outsides — spending £20,000 e year or more—can also take advantage of the Incentive Discount Growth scheme. "This scheme was de-veloped with the direct mail market in mind, to provide a facility for summarize to test facility for companies to test new lists et reduced prices," explains Mr Mike McManns, marketing manager for letter services at the Post Office.

This scheme offers e discount on the real value year-on-year increase in companies' postage bills for inland letter mail. The greater the increase, the greater the discount, up to a maximum of 20 per cent discount on an increase of 10 per cent or more.

Some direct mail campaigns also rely heavily on reply ser-vices, such as business reply and freepost. Normally the charges for these services are an annual licence and postage plus ip on each item received. But first time users of these services may be eligible for special introduc-tory offers, which waives the licence fee and means there is no postage to pay on the first 300 replies.

Established users of the business reply and freepost services who receive more than 50,000 items a year can apply from the owner's fee, often 20 for special discount rates, per cent. List brokers are a Based on a sliding scale, the perfect example of a breed that discount starts at 40 per cent has developed to fill a market of the additional $\frac{1}{2}p$ postal fees gap in the direct mail business,

OMY

FOR THE businessman who and goes up by stages to a often themselves having e back-wants to exploit the potential maximum of 70 per cent for ground in publishing or direct of direct marketing techniques, 750,000 or more, mail in some form, 750,000 or more. These are only some of the

the array of services on offer can be daunting. Where to start? The Post Office, not surpris-ingly, has e vested interest in promoting direct mail and so has a oumber of special schemes available to help companies us-ing the post. First time users in particular are especially wooed by the Post Office Companies or organ as an international marketing medium, the Post Office has e free postage scheme for first-time users. "This means thet exporter who has not pre-viously sent an overseas direct

viously sent an overseas direct mail shot qualifies—eveo if he has already sent direct mail shots in the UK," says John Globons, marketing manager for international services at the Post Office. Overseas postage costs up to £22 are free and an exporter can qualify for up to £550 worth of free postage on higger postings.

also requires thet the company concerned has a list of eddresses of people who might be expected to respood to that mailshot. The list husiness is a rapidly growing aree of direct marketing, estimated to be worth at least £12m e year on its own.

A reasooshle list can be a coupon is clipped from a magazine or newspaper or a name and address written on the heck of a cheque.

tured so thet the list owner and the client are often brought together with the ald of a list broker. The broker advises, searches and negotiates for lists and handles the adminis-tration. In return, he takes a perce; rage of the list price from the owner's fee, often 20

Growing area

Using direct mail, however,

worth £20,000 e year in extra income for the list holder, who gleans information every time

The list business is struc-

CASE HISTORY: FORD

NOMICS

List brokers, however, still bave difficulties in persuading companies to part with lists of people they have on file

the busicess.

although brokers prefer to believe this reticence is due to lack of understanding about lists rather than any strongly held belief in maintaining consumer privacy. Ooe criticism of the list brokof fees charged for lists in com-parison with the cost of lists in the U.S., where the business is much larger and more estab-lished. The brokers respond by

pointing out thet computerisa-tion of lists was echieved much earlier in the U.S. and, since the market is larger, the economiss of scale are therefore much greeter. To help tackle some of these problems and to improve the

list brokers' image, the British List Brokers Associatioo has heen formed with the aid of most of the major brokers in

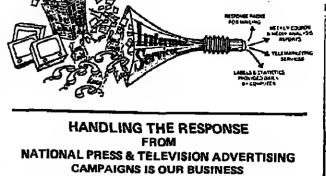
TOP 20	DIRECT	MAIL GI	ROUPS	IN UK		
		Before Tar	4	Sales	Profit/S	ales
		£000		2003	Percen	
	82/83		82/83		82/83	\$1/83
Time-Life International	518	47	1,325	1.138	39.1	4.1
Dxfam Activities	787	689	8,979	3,558	19.8	19.4
Dale House Mail Order	125		681	824	18.4	21.6
Halwins	81	94	441	450	18.2	20.9
J. D. Williams and Company	1,352	1,294	10,304	8.883	13.1	14.6
. A. Davis & Son	89	46	334	321	11.7	14.3
Juwins Seeds	293		2,701	2.821	10.8	4.3
The Great Universal Stores	201,384	189,1 31	2,038,000	1,837,000	9.9	10.3
. Brown Investments	3,007		31,331	26,981	9.6	11.4
olio Society	199	212	2,127	1,905	9.4	11.1
the National Magazine	3,971	4,267	45,665	40,822	8.7	1e.3
arepak Hampers	708	545	8,332	4,690	8.5	11.6
World Wildlife Fund (UK)	a9	15	1,105	1,672	8.1	1.4
eudale and Co.	486	593	8,666	5,754	7.3	10.3
mbrose Wilson	928	936	12,648	9,673	7.8	9.7
Fritannia Music Company	592	-5	8,636	9,479	6.9	—e.1
inguaphone Institute	725	668	10,654	10,801	6.8	6.2
larshall Ward	3,807	3,885	59,411	55,662	6.4	7.0
Laplin Electronic Supplies	2,912	2,687	49,170	43,131	5.9	6.2
when elections subbies	154	10	3,055	2,562	5.0	0.4

potting together e direct mail campaign depends on a number of factors, suggests Mark Elwes, executive director of the Direct Mail producers Associa-tion. First, he suggests, is the question of acale. "If the cam-paign involves the production of several millioo items of mail over e limited period, then an agency with the capacity for such bulk is essential." 5875. Profitable

However, be says that "a smaller or more specialised campaign may well be more suitable for a smaller agency." He adds that "It may be thet a project calls for specialist know-Tokens' image, the British ist brokers' image, the British List Brokers' association has been formed with the aid of nost of the major brokers in Finding specialist help with useful booklet listing all its Finding specialist help with the basic solution in the busic solution is the busic solution in the busic solution in the busic solution is the busic solution in the busic solution is the busic solution in the busic solution is the busic solution is the busic solution in the busic solution is the busic solution in the busic solution is the busic solution is the busic solution in the busic solution is the bus

memoers and giving details of the areas of activity in which they specialise. "Once you have selected an agency or 1 short list of agencies which seem to erea of merchandising for many years," suggests Stephen Sherwood, managing director of Sherelle International, "Those mail order and direct "Those mail order and direct response companies that have tested persoalised products have found that they can once egaio achieve the margins that they oeed eod, in eddition, they have on average reached a higher level of response with e suit your particular needs, a telephone call followed by e personal visit is usually the most practical first step," he minimum oumber of returns.

One growth area in the ser-vices offered by direct market-ing companies appears to be personalisation of both products that are sold and the informa-tion that in Kaleldoscope, part of the W. H. Smith group, were among the first mail order companies to see the effect on sales of personalising a product. At the same time, organisations such as the Consumers' Association Reader's Digest, and American Express have discovered the heoefits of persooalising speciel



11

- Response packs pre-enclosed and held in stock prior to start of campaign.
- Weekly computerised reponse enalysis reports submitted, by Media/Coupon Codes and/or Gaographical/Sales/Dealership Territory areas.
- Copy address lists sent to deelers or regional sales offices.
- Telemarketing of responses carried out at eny stage of the campeign to quelify response.
- Telemarkating of responses carried out efter response packs ere sent out to follow up mailing.

GET THE MOST FROM EVERY £1 SPENT ON YOUR NEXT ADVERTISING CAMPAIGN

CONTACT: STEPHEN MARTIN (Managing Director) Intermail, 9 - 11 Telford Wey, Acton, London W3 7XF



So many people cut the coupon, the Government cut the campaign.







Keeping the top truck image

1

Ford's very supremary, how comporate the effects of the petitive field, poses its own pro-blems. How to continue the "top truck" momeotum, spell ont the mailings are personally chase. All mailings are personally addressed with reply-paid envelopes which invites a addressed with reply-paid envelopes which invites a truck wideo the consumer base by forms for further free copies of the latest guide, together with e request for details of the response to the guides has prime objectives of the camprime objectives of the cam-

paign. Together Ford and specialing route, finely targeting key transport managers of com-panies opereting commercial

was reachly ideofinable inrough existing mailing lists. The initial Ford mailing in 1982 was 110,000 companies. This bas now grown to some 145,000 companies about which Ford now has vital fleet infor- is underlined by the fact that

mation. Such a detailed datebase has given Ford a valuable target brought in sales of £750,000 group for future sales efforts, and a series of mailings for the group for future sales chorts, and a setter of manings to the as well as, to Ford's view, con-siderable edge over its 2,500 new prospects with a competitors. The programme is focused vehicles, hot leads for the Ford

The programme is focused oo a series of glossy information salesmen to pursue, bookiets called, somewhat Feona N grandly, the Ford Fleet Effi-

"FORD GIVES yon more" goes the slogan and that is just whet the UK's number one commer-cial vehicle manufacturer sets out to prove with its continoous direct marketing campaign oow running into its third year. Such methods are proving a highly profitable sale pitch for ensuriog market dominance, a position Ford has enjoyed for the past 12 years. Ford's very supremacy, how-ever, in what is a fiercely com-peutive field, poses its own pro-blems. How to continue the "top

Brann.

paign. Together Ford and special-ists Christian Brann have pur-sued a vigoroua direct market-ing route, finely targeting key transport managers of com-transport managers of commakes, weights and body types. On the back of this information panies opereting commercial vehicle fleets. The decision to go the 'direct' route was taken because this commercial market was readily ideotifiable through was readily ideotifiable through was readily lists.

one mailing for the Ford Cargo truck last year costing £35,000 brought in sales of £750,000



The Government surposed some people (us) when they appointed Wight Collins Rutherford Scott The agency was only 3/2 years old - a mere babe by CQL standards

En the choice was certainly appropriate. We were asked to promote the Government benefit for grocing businesses)

And the results were certainly spectracular, In no time at all over 140200 businessmen had replied So many in fact, that we were able to stop the . .

apaign early So the taxpayer got a rebate, and the agency lost a bit of commission But we were happy to do so, b often leads to another.

And perhaps you know someone whe diappreciate an agency that used his resources so effectively. (Hun, hint?) Wise ring Feter Same at WCRS on 01-24, 2800. Or just send us the coupon below



28,000 more people ked up the phone than icked up the scissors.



Feona McEwan



After all, what could be easier? They simply had to dial 100 and ask for Freefone Enterprise. All you have to do to find out about a most effective way of getting direct British response for your company is dial 100 and ask for Freefone Marketing Services' **TELECOM** 12

Telecom ... Important news from British Telecom ... Important news from British

How you can best profit from the world's most potent (yet least understood) marketing tool.

I you're in business you've certainly used the telephone many times to try to make sales. But how much do you know about the new ways the telephone is being Land the remarkable results it is achieving? Here are the facts every marketer should know about today's telemarketing,

ented by the people who know more on a subject than anyone In the United States the direct marketing

medium now enjoying the largest expenditure is not TV or the press or even direct mail. It is the telephone.

The reason for this is that the telephone is being used in a totally new way. Companies like ICL Ausin Rover, Keith Prowse and Royal Viking Line are already discovering this in the UK A carefully scripted outbound telemarketing SI programme can be a direct line to increased profits for you. And we in British Telecom were convinced

very early on of the future for telemariteting. In recent months an impressive roster of blue chip companies have called upon our services...and are reporting impressive results.

HOW TODAYS TELEMARKETING WORKS. The key to todays

telemarkening is controllability. This is only possible when you have carefully ' prepared, aghdy scripted telephone messages going out in large numbers to largened prospects

For years many people believed that a scripted conversation would sound stilled and unnatural. But in the hands of skilled elemarketing communicators a scripted conversation can sound just as natural as, for instance, dialogue oo a TV show.

WHAT TELECOM TELEMARKETING CAN DO FOR YOU WHERE OTHER MEDIA FAIL

If you look at the telephone as a marketing medium and not just an instrument of communication, then it has some very substantial advantages. Starting with the results it gets.

Direct mail – the next most personal markeung medium – is a good one to compare with the telephone.

again they fail to get an answer or at least

a satisfactory one - because what they

are asking for is in very short supply

growth of direct marketing that is taking place throughout the world . . . growth that has

created extraordinary opportunities, par-ticularly for companies who have not tradi-

tionally applied direct marketing techniques.

sion has created its own problem - there are

too few knowledgeable direct marketing pro-

fessionals to meet the demands of marketing companies - THAT IS WHY INTER-NATIONAL ASSOCIATES IS UNIQUE.

World-wide network

INTERNATIONAL ASSOCIATES are

an unusually experienced group of interna-

tionally known top direct marketing experts

who have chosen to work closely together in a world-wide network, while retaining our in-

dividuality and independence. In this way you

can get the best talent at no greater cost than

using other competent but rather ordinary

history you can get the expertise you need,

when you need it and where you need it,

anywhere in the world. Now you can have ac-

cess to the industry's proven top professionals

on a one-to-one basis in a way never previously

Internationally

wide range of companies throughout the

national experience.

Now for the first time in direct marketing

The trouble is - this unprecedented explo-

You are undoubtedly aware of the rapid

indeed

alternatives.

available.

world.

The approach is similar. But the

difference in response can be quite staggering. A telephone programme can produce a percentage response two even five times larger than direct mail offering the same product or service frequently alter the direct mail has already been med. Thus for many purposes, although the telephone is not cheap, in terms of cost

ctivenessit can be the best medium of all. Of course the telephone does not have

the problems every other medium faces. When that telephone rings, people answer it. No other medium gets such an instant response. Not television, not radio, not

to get in where the telephone can

And there are other significant benefits for the marketer who is keen to get impressive results fast.

MiD-

It's fast. You can use the telephone, obviously, to sell your product or service to your target market in this way it is just as accurate as direct mail But you can mount a relephone marketing operation much quicker No waiting for print and production. You just reach for customers instanth with the push of a few buttons

It uses no petrol It gets decisions from 4.6 even 13 to 15 people every hour. Its never solk It says exactly what you want.

Only when you

come in and see how

carefully communicators are trained and how the messages

they send out are monitored ... how

the scripts are planned to allow for the natural ebb and flow of cooversa-

tion between the prospect and the

communicator, can you really appreciate

what this business is all about. We invite you to send now for further

information. We have a carefully prepared brochure "A Direct Line to New Profits" which

explains exactly how Telecom Telemarketing operates. After reading it you will probably

want to come and talk to us and visit our facility

TELEMARKETING

and see

exactly how things are done.

OFREEFONE

But the Important thing to do is to take the

You can change what you

Want to say. Once you have sentout a mailing package or an advertisement or commercial, that's it You can't change it without considerable expense and time being involved. Because the telephone is an interactive medium you can discover very quickly which part of your sales message is working -and which part isn't. You make discoveries

about your customers' attitudes and needs. Its acting as a research tool. So you can change your message virtually overnight. You could never

do this with another medium.

You get instant results. It doesn't matter what you are trying to do-to get orders, to renew subscriptions, sell-in a new product, test a price...you know instantly vasted leadhmes of convectional marketing.



Financial Times Tuesday April 24 1984 DIRECT MARKETING IV

in a fair and the second states of the second states of the second states of the second states of the second st

2,000 gather for Montreux symposium

MORE THAN 2,000 par-ticipants are expected at the direct marketing symposium and exhibition to be held in the Swiss resort of Montreaux at the Congress Centre (right) between April 30 and May 4. The event claimed to be the biggest in-ternational meeting of the direct marketing sector, is the 16th of its kind and combines sive conference me with a specialised goods and services fair and meetings of the European Direct Marketing Association (EDMA).

A major part of the con-ference will be given over to symposiums on individual aspects and applications of and any These marketing. These on the direct marketing. These include programmes on the use of direct marketing in editing and publishing, in financial services, for product facturers and in " selling to the consumer."

In en added to the Montreux event in the Yorm of a programme on direct marketing methods in the sale of pharmaceutical products.

Special seminars will be held on how to solicit new subscribers, on relations with the Post Office and on computer services, direct marketing for advertising agencies and the print and ectronic media.

General interest events include a half-day presenta-tion "principles of direct marketing," chaired by Dr John D. Erickson of the

American Bible Society, and wo-day seminar on Dialogue Method "Dialogue Method" Siegfried Vocgele, of Munich-based Institute ef Direct Marketing. Some 130 firms will be pre-

services at the Montreux scrvices at the Montreux exhibition including advertis-ing and direct-response agencies, consultants, tele-phone marketing services, address-book publishers address-book publishess media, printers and envelope suppliers and various EDP

In connection with this

event there will be a special "catalogue show" of over 2,000 mail-order catalogues, prospectuses and mailings from all over the world. A new catalogue directory is also being sold by the exhibit tion organisers at a price of

SwFr 220. The programme will also include a number of EDMA and social events. In connec-tion with the Montreux meeting, the association is offering Symposium particl-pants a 50 per cent reduction on their joining fee.

John Wicks

David Churchill reports on the UK industry's efforts to improve its image

Post Office help in moves to screen mailing shots

DIRECT MARKETING in the UK has always had something of an image problem, a con-sequence of rapid growth rapid growth sequence attracting attracting the "cowboy" operators whose sole aim has been to make short-term profits irrespective of the long-term harm to the industry's image, Over the past year or so, however, the industry has begun to put its house in order and appears so far to be winning the battle to build up public confidence in direct marketing techniques.

The catalyst in this clean-np of the industry's image has been the Post Office which has latched on to the potential benefits of promoting direct marketing in the UK. Already direct mail shots account forabout a tenth of the Post Office's letter business and the proportion seems set to grow with the Post Office's continued DDOLL The two main developments over the past year which have come about with the aid of the Post Office have been the set-



Sir Gordon Berrie, Director General of Fair Trading, sounds a waining that voluntary control in the UK meeds strengthening to avoid a statutory code of practice to respect consumer's privacy. Right, Mr Anthony Painter, director general of the British Direct Marketing Association, in fayour of an international code of practice

adopt a code of practice to re-spect the consumers' privacy, to be honest and courteous when making the call, and to give the in which to pull out of any agreement made as a result of the telephone call.

'If voluntary control proves inadequate, I will consider re-commending the introduction of statutory regulations similar to those adopted in some other countries," says Sir Gordon Borrie, Director General of Fair Trading.

An international code of direct marketing practice might not be such a had thing, according to Mr Anthony Painter, director general of the British Direct Marketing Association. a-Mr. Painter fold last year's direct marketing conference held in Montreux that the British direct marketing indus-tr ywas trying to harmonise its own codes of practice and self-

1.1.1

T2 1

12

addition,

From **INTERNATIONAL ASSOCIATES**

Some of the services we offer:

& Help in deciding whether your company should add direct Time and again senior managers ask this question. Unfortunately, time and marketing to its marketing mix.

E Direct Marketing Audits-The independent assessment of existing projects and opportunities and the maximization of both.

& Business Opportunity plans O - Strategic planning and development of direct marketing projects including the creation of effective and measurable plans.

E Creation of copy and layout for Direct Response advertising and mailing programmes.

Advice on and implementation of database management programmes for more effective use of existing customer files.

Advice on acquisitions and disposals of direct marketing businessee

Evaluation of new media opportunities including teletext, cable television, personal computers and satellite broadcasting systems.

E The preparation of presentations O to senior management, seminars for employees, and training programmes

& Determination of personnel requirements and help with recruitment.



INTERNATIONAL ASSOCIATES

e & Associates Turenne NIC 01 272-5225	Dott. Party Samucs LPS. Curso Venezia, 16 20121 Mil. AMD Raly Telephone (02) 7015 Telep 340418				
esenwald & International	Water School				
stanwald & International	Water School AG				
s Inc.	Neucoursteration 6				

CH-802 Switzer Telepho Telepho MENY YORK, NY 10026 USA phone (212) 860-4326 14 487524

fietre Santalice	Baberi D. Kestabaan Kestabaam & Company	Laff R. Fegelinty
Venezia, 16 1 MRLANC	221 North LaSalle Street CHECAGE, Benois 60501 USA	LefA Fogeberg & International Associates AB Vinkeigatan 3 260 40 Vincentie: SINGBORG
ione (02) 701534 340418	Telephone (312) 782-1351 Telex 706405	Sweden. Telephone 042-23/61/07
r Schmid r Schmid AG unsteraliee 6 Ist 214 Ist 2000/SP sina 01-69 49 50 58698	Elementer S. Transa-Herrory Transar-Harvey Greet Ltd. 64 Synaps Stoet Cheisea London SW3 6PS United Rondom Telephone D1-351 0048 Telex 8614804 BALDN/G	Grogery Carley Chatesu Blanc Limited Impercial Reppongl Forum 205 16-5, Reppongl S-Chane Minato ku, JJMCVD 105, Lapan, Telephone (03) 582-9581 Telephone (03) 582-9581

Some of the many fine companies we work with, worldwide

Alfa Romeo	AT&T
British Petroleum	Citibank
ITT	American Express
The Royal Bank of	American Bell
Canada	Corning Glass
The Host Group	Johnson & Johnson
Satellite Television	Shell
Corp,	Rank Xerox
BBDO International	Texas Instruments
L'Express	Pirelli
Grey Direct	3M
AFIA Worldwide	Readers Digest
Insurance	Time-Life
Alitalia	Volvo
Editors Abril	IBM
National Westminster	J. Walter Thompson
Bank	Imprimate
Harlequin	UNICEF
Polygram	Financial Times
Bank of Ireland	Nixdorf Computers

How to find out more

Whether you are a product or service company or advertising agency, if your company would like to know more about how this major new international resource could add strength to your total marketing effort, contact any of the Associates or INTERNATIONAL ASSOCIATES, Neumansteralize 6, Postfach 214, CH-8032 Zurich, Switzerland. Telephone 01-69 49 50. Telez 58896. You'll hear promptly from one of the associates.

ting up of the Malling Preference Service and the Direct Mail Services Standards Board.

The Mailing Preference Ser-The Mailing Preference Ser-vice was set up by the major industry trade associations and supported by the Post Office to counter the growing criti-cisms from consumer groups and others about the rise in unsolicited mail being received by the public.

As direct mail has grown as a marketing technique, so has the amount of unwanted mailing shots sent to consumers. The mailing preference service enunsolicited mail an intrusion,

into their privacy to "opt-out" of direct-mail lists. Positive step

The snag is that consumers have actually to take the posi-tive step of ontaining an appli-cation form to have their name entered into the service. So far almost 15,000 people have asked to have their names excluded from mailing lists — although over 1,000 people have asked to have more mail sent to them

about certain product areas in which they are interested. Some 107 direct-mail opera-tors are part of the service, and more are being recruited. Each member-company pays a sub-scription based on its annual volume of mailing — less than 250,000 mail shots a year makes the fee only £250; over 5m and the subscription is £1,000.

The service is not entirely altruistic in that direct-mail companies have a vested interest in keeping recipients of mail shots happy (otherwise they will not want to buy the product or service being offered) as well as not wanting to waste stationery and postage on people who do not want unsolicited mail. In addition, for every name deleted from the list, a new mame can be mailed at no extra cost. According to the information sent to consumers, deleting their names should lead to their receiving "fewer mailorder catalogues, book and record club offers, introductory offers of magazine and other

subscriptions, household and garden requisites, and many other products." It appears, however, that obscene and other offensive

Jellin Iild

mail shots will not be stopped because "companies supporting based in London and not in the mailing preference service Stockport as inadvertantly do not send such mailings and stated in the Public Relations therafore the service cannot survey on April 12. because "companies supporting

The other key development has been the setting up of the Direct Mail Services Standards Board, an independent body with the financial backing of the Post Office. ample.

ample. The second reason is that telephone costs are cheaper than direct mailing: between 1970 and 1982, the average cost of a telephone call fell by about 17 per cent in real terms, while the Post Office. The board has two main functions. Firstly, from June last year it started a recogni-tion scheme for direct mail agencies. To qualify, the agency must satisfy the board that it complies with the codes of the advertising Standards Authority and provides services only to clients who subscribe. average postal tarifis rose by nearly 55 per cent after allow-ing for inflation. The OFT would like to see companies that sell by telephone only to clients who subscribe to those codes and contribute

to the levy imposed by the ASA board of finance to fund the system once recognised. Direct mail agencies are then ahle to use the board's symbol on their

literature. The test does not end there, however. Recognised agencies are then required to make annual submissions of their trading accounts for the pre-vious year and the board can

withdraw recognised status if it finds the agency does not come up to standard.

The "carrot" for agencies which hecame recognised is that they qualify for a refund of about 1 per cent on their annual postal bills for mail shots—a refund provided by the Post Office.

It is not only in the direct mail area of marketing techmail area of marketing tech-niques, however, that concern is being raised about standards. In telephone selling, a fast-growing area of direct market-ing, the Office of Fair Trading has taken a close interest in the consumer problems that arise from unsolicited tele-phone calls.

Telephone calls

In a special survey carried out last year for the OFT, it was found that of 1,500 adults who had a telephone at home, about a fifth hed received un-solicited telephone calls. Generally, it was those in London and the South-and who were in professional and executive jobs-who were more likely to have received such calls. The average number per recipient was 2.5 per year, according to the survey. The reasons for the growth of

telephone selling as a marketing technique are twofold. First, it has the advantage of being more immediate than other forms of direct marketing and also the contact between salesman and consumer can be especially use-

Alexander Commns Alexander Communications is ful where the consumer does not would, I believe, be much easier normally take the initiative— if we were able to obtain the we were adhering to inter-national standards for direct when buying insurance, for exmarketing."

However, he confessed to being pessimistic about an inter-national code being agreed because of the rivalry hetween the U.S. and Europe in this area and also heavies the industry and also because the industry was too short-sighted. "It is an industry which seems to live only for tomorrow," he said. "The day after is left to chance."

Before you spend money on direct marketing, spend two hours with ONSDALE DIRECT Direct marketing can bring spectacularly success-ful results. It can also bring expensive disasters. So before committing hard cash into Britain's fastest-growing marketing activity, it's important to talk to the people who have experience. HOW TO AVOID COSTLY MISTAKES Lonsdale Direct – a division of the Lonsdale Group – will be happy to show the real opportunities your organisation can gain from direct marketing techniques. And we'll point out the pitfalls that can trap the unwary. NO TWO CLIENTS ARE EVER THE SAME Our two hour discussion can analyse your own specific problems and objectives, and show you how we applied our experience to such diverse clients as a national cable TV company and a major charity, amongst others. It will not place you under any RDMA obligation of commitments of any kind. BDMA YES, I want to know what creative direct marketing can do for my Company. Please contact me to arrange a suitable time. MR/MS_____ POSITION PLEASE POINT COMPANY____ ADDRESS_~ POSTCODE_____TEL. NO____ POST TO: LONSDALE DIRECT, HESKETH HOUSE, PORTMAN SQUARE, LONDON WIH SFC. OR PHONE DAVID KNIGHT or DEREK EVISON on 01-486 5877.

DIRECT MARKETING V

Jason Crisp looks at the dramatic effects computer developments are having on refining the industry

Technology provides an accurate marketing tool

Fortunately such a night-marish dream is improbable. Nevertheless, technology al-ready has had some dramatic effects on the techniques of direct marketing and it is also bringing new media to the art.

м^{т.} 4.00

<u>.</u>

_ . . .

_ a=* **9**(* tionised by the computer and laser printing. Some 15 or 20 years ago direct mail had been done by rows of ladies at typewriters ploughing through the electoral rolls.

Sophisticated

Today there are sophisticated computer databases as broad and as narrow as you would want. Many companies offer ingenious programmes for identifying the best potential customers, bringing together for the first time a range of data from different sources. The computer, combined with an aggressive attitude on the part of the Post Office, has probably been the major reason for the success of direct mail in Britain.

The video disc and video tape recorder are quickly catching on as a major marketing tool. on as a major marketing tool. Even viewdata—or videotex—is at last beginning to show com-mercial potential. Advanced technology is already being used in a wide variety of appli-cations, albeit on a limited scale. Significant moves in-

advertised in its brochure and

THERE ARE some who dream of a brave new "high tech" world. In that dream we high tech" happily indulge in "teleshop ing "from the comfort of our armchaits "from the comfort of our armchaits of the beak before you could be sent glittering and marketing. The visionary in the market this would be heaven. Sophist the British Post Office has altered the emphasis of the Post Office. As a thered the emphasis of the Post Office. As a thered the emphasis of the Post Office. As a thered the emphasis of the third largest advertising and industrial use of the Post Office. As a safered the emphasis of the Post Office. As a safered the emphasis of the Post Office. As a safered the emphasis of the post offices which advertise the synches the back before you could at the day for five waks.
Markathe dream is improbable.
A mumber of retall outlet.
A mumber o

• A number of retail outlets are now trying video in shops, Companies involved include Olympus, Top Shop, Wool-worth, Mothercare, and Boots, result of laser. printing has direct mail has been revolu-Direct mail has been revolu-Direct

Ford's launch of the Sierra, Anglian Windows' promotion of double glazing, Barclays selling banking services to newly marrieds, Richard Ellis promot-ing office developments for potential tenants, and Rentokil promoting pest control to farmers farmers.

• In the U.S., three major com-panies—CBS, the broadcasting giant, IBM the computer group and Sears Roebuck the retailing group—have set np a joint venture to provide a com-mercial videotex service for bome computer users.

• Prestel, the world'a first public viewdata service which

public viewdata service which has been pioneered by British Telecom at great expense and little early success is beginning to look much stronger. A scheme run by the Nottingham Building Society which gives account holders a free Prestel adaptor and an opportunity to use it for home banking and shopping has been a consider-able success. Prestel. can also be used for booking theatres, and hotels and goods can be bought using the major credit bought using the major credit cards.

scale. Significant moves in-clude: Summed Holidays has had materials for animal feeds on over 5,000 requests for video tapes of its holidays which it reductive in the buyers tion ou about 40,000 properties on Prestel from the National Homes Network which has over 200 firms of estate agents. The English Tourist Board is of the cost of private leased lines. developing a system which will enable anyone with a Prestel terminal to book holidays directly in the UK.

to offer a much more sophisti-cated service. The personalisa-tion which is made possible by the computer and the much higher level of printing as a tions. With new technology the tolerance for error is reduced



The POST OFFICE's new Electronic Post Service. The com-puterised system is based in six centres. A sophisticated laser printer produces complete letters, including an organisa-tion's logo. A customer sends the text of the letter and the addresses to the Post Office on a computer tape. The PO's own computer sorts the addresses and sends the information to the appropriate centre. The letters are

The priority service enables letters to be delivered the day after the PO receives the compoter tape. The PO is now looking at ways in which the information can be sent direct from the customers' computers to its own without having to computer fape



Total capability in communications.

dramatically,"

The technological revolution in direct marketing has begun and the National Networks division of British Telecom is busy providing the communications links that

are vital to its progress. "Off the screen" marketing is already in being through Prestel. In the Midlands, Homelink enables subscribers to

do their shopping, their banking, to book holidays and pay -bills without leaving their own firesides. A key element in Homelink and other such developments is National Networks Packet SwitchStream (PSS) - which provides digital data transmission of the highest quality at a fraction of the cost of private leased lines.

13

colour supplements. The com-pany now has a selection of videos on its bolidays from videos on its bolidays from Greek islands to skiing in the French Alps. The company is one of the first to exploit the opportunity of marketing directly to the public via video. It is a recognition that video has achieved mass penetration in the UK, which has the highest concentration of video recorders in the world—over

in the UK, which has the highest concentration of video recorders in the world—over 30 per cent of homes possess a VCR. International Business Machines spent f2m on a sophisticated interactive video-dise system which it hopes to sell to its 1,000 European dealers which handle its highly successful Personal. Computer (PC). The videodiscs are linked to IBM PCs and can be used for training the dealer as well as a highly effective selling. The programme on the disc--made by the London-based EPIG Industrial Communica-tions—has been made so it can be used to sell to first-time com-puter buyer or the most sophisticated. The programme, shown on a special TV screen include sides, film, graphics, animation and text. Using a touch sensitive tele-vision screen the customer can follow his own inquiries, with the viewer being guided by the computer. The video disc is the sophisticated Laservision system developed and made by Philios, the Dutch electricals

is the sophisticated Laservision system developed and made by Philips, the Dutch electricals group.

> DRG turn envelopes Your envelope is the first thing a prospective cliant sees. You've paid to put it right into their hands. Are you making the most of it? A well-designed envelope does more than simply contain the mail. It creates interest. It provokes curiosity. It says a lot about your

company before it's even opened. DRG create envelopes that get noticed. We can take your envelope and turn it into a hardworking sales tool. With printed messages or corporate insignia on the front, the back or the inside of your envelope.

We know the Post Office pre-requisites and the requirements of mechanical inserting machines. And we offer a wide range of shapes and sizes, on a variety of plain, tinted or coloured stock.

You only get one chance to make a good first impression. Make the most of it. With DRG custom-made envelopes.

DRG Envelopes, Apsley, Hemei Hempstead, Herts, HP3 955, Tel: 0442 42124, Telex: 826382.

New medium

to which it is to be sent. The Post Office's own com puter sorts the addresses into

DRG

Putting the message first

ENVELOPES



Unique and award-winning

American Express makes the integrity and economy of PSS data lines part of its marketing mix through an ingenious and award-winning programme.

A high proportion of Cardmembers travel regularly by air. American Express reaches out to them and to prospects

AIRPORT DISPLAYS

Viewdata Computer BRIGHTON

PACKET SWITCHSTREAM

PRESTEL

through its unique SkyGuide* skyGuide block diagram: PSS data service. This makes publicly available through Prestel virtually up-to-the minute flight arrival and departure information from the 12 leading UK international airports.

SkyGuide works 24 hours

FODAY: MARKETING OPPORTUNITIES

> a day, 365 days a year. It monitors some 700,000 aircraft movements a year, covering around 57 million passengers. Prestel subscribers can access this valuable information for just 10p plus the cost of a local telephone call. And they are currently doing so 100,000 times a month.

> The ingenious SkyGuide programme has won awards from the British Computer Society for applications, and from the European Direct Marketing Association for an outstanding contribution to the direct marketing of high-tech products.

It enables the American links provide the airport connections. Express viewdata computer in Brighton to monitor and CONTROL reproduce in a standard format, flight information that appears in disparate forms at each airport. Both data integ-rity and overall cost dictated

the choice of Packet SwitchStream for the vital link between the airports and Brighton.

An elegant example of total capability in communications -- via National Networks.

*SkyGuide is the business name of American Express Flight Information Display Service.

ANY QUESTIONS?
Phone us on 0272 293586. Or clip this coupon to your business card or letterhead and return it to: National Networks, Freepost (BS3333) Bristol BSI 4YP. Please tell us more about National Networks and its services for business.
NAME
POSITION
SIGNATURE FISS

British **TELECOM** The power behind the button. **National Networks**

into advertisements.

THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

Women in business Katie's Kitchen: serving the big chains

"WE USED to love cooking-we refrigerators.

rerrigerators. It was the pizza which gave and quickes to small delicates-Flowers and Leader their first business success. Today they turn out 35,000 pizzas a day hut this is no longer their sole product.

Katie's Kitcheo is a venture that started out as a way to earn a bit of extra money while they were at home with three small children each. "We wanted to weite at none. "We wanted to do something which would fit in with school hours," says Flowers.

Their initial investment was £100 each. Twelve years on and had to give personal guarantees the turnover is about £2.5m and to Lombard North Central, the

International, Waitrose, Tesco, Sainsburys and Safeway. The company has hit upon the ooe sector of the iodustry-fresh

was Waitrose which moved diversify, moving more into "WE USED to love cooking—we It was waitrose which moved diversity, moving more into hate it now." So say Vivienne the small company into the big founders of Katie's Kitchen, large orders to supply all its already introduced filed haked makers of oven-ready fresh foods destined for supermarket. Uotil then, potatoes and cauliflower cheese. Katie's Kitchen bad sold a variety of chilled foods—pizzas Bap" range will be launched Bap" range will be launched with various fillings.

> One trend which is to the company's advantage is a broadening of British tastes. our standards," explains Flowers. The company gradually When Katie's Kitchen was at its dropped out of supplying to local shops and concentrated on embryonic stage the response to foreign food, especially any-thing with garlic to it, was often its pizza product line. To cope with its early growth

"I don't want any of that foreign muck," according to Flowers. Now a popular product a £120,000 iovestmeot was needed in product development and automated machinery. But as the company was little known both Flowers and Leader is a French bread stick covered in lashings of garlic and berbs. Both women emphasise that

they set up Katie'a Klitchen with no business expertise or management training. Everywhen their new factory is in operation they will have the scope to double their sales. Katie's Kitchen now supplies chilled foods to many of the large supermarket chains— Userband to Londard North Central, the finance company which eventu-ally funded them. Today findiog finance is easier, Katie's Kitcheo Is in-vestiog a further £350,000 In large supermarket chains— Userband to Londard North Central, the ally funded them. Supermarket chains— Wealdstong in North Looden thing bas been learnt from practical experience. A loyal vesting a further £350,000 in workforce is important and of her day, is "I haven't got a advises would-be business-its first purpose-built factory in Flowers and Leader have stood wife to come home to." wome: "You have to believe Wealdstone in North Loodoo. alongside employees on the Flowers finds it strange that in the product and be enthu-On August bank holiday it will production line when necessary. there are so few women run-carry out a military-style opera- "If a large order came in no to move to its new location one would go home until it was "an ideal business for a determined as you are going to from Wambley where it has a finished. The atmosphere was a finished to a strange that in the product and be provided to be atmosphere was found for a strange to be a strange to be a strange to be a strange to be atmosphere to be a strange to be a strange to be atmosphere to be a strange to be atmosphere to be



Leader (left) and Vivienne Flowers: 35,000 plzzas a day

on its first day are still there. Even while the company was growlog, commitments at home were still fulfilled: "We didn't

waiting for you."

company has hit upon the ooe carry out a military-style opera- "If a large order came in no ning food companies aince it is a lot of confidence and be very sector of the iodustry-fresh tion to move to its new location one would go home until it was "an ideal business for a determined as you are going to foods-which is expaoding. Both from Wembley where it bas finished. The atmosphere was woman." She has never found face a lot of disappointment." tunned aod frozen food have been for the past five years. great," says Leader. Several any discrimination: quite the been static for some time. The company plana to people who joined the company reverse-many people have Elaine Williams Elaine Williams

gone out of their way to help. "It's too late now to come into the business as we did without any money," maintains were still fulfilled: "We didn't want the home to take a back Flowers. The reason is that the seat." Usually they managed to work to school hours but inevitably it became more diffi-with automated machinety and cult. The only thing that has taken over the greater part of her day, is "I haven't got a wife to come home to."

A voyage of self-discovery "I was not motivated pri- had no idea of the likely arily by an over-riding desire response. "People don't realise

"WITH TWO small children-ooe aged three years and the other 1S months—I wanted to work from bome and fit them into my life a bit more," ex-into my life a bit more," ex-plains Joanna Kissin. "But as a company person that is just also felt I bad reached a plateau

Like many career-minded in my job. When somebody told mothers, Kissin faced this me that I could do it standing dilemma recently when she was on my head I realised I ought publicity officer for the Music to be doing something else." and Arta Department of the BBC. Since taking the plunge

Ten years in television and the arrival of Channel 4-not to mention cable and satellite sultancy, however, she appears on the horizon-suggested there to have achieved both an ideal was a good market in specialist was a good market in specialist PR on the outside.

job and business success well beyond her initial expectations. beyond her initial expectations. Discussing her first steps into With the end of her first self-employment, Klasin says she accounting period looming up, has been surprised by the for example, she reckons she number of approaches and now earns more working three enquiries she received after days a week self-employed than she did working five days a week for the BBC. advertising in the trade press. She started, of course, with lots of contacts and no clients hut Music Now, Yehudl Menuhin's

that if you go on your own there is a whole world out there

Self-employment, moreover, inside knowledge and ability to do it and found the experience has been a voyage of self-discovery. It has brooght out skills and qualities I dido't very satisfying."

know I had in me," she explains. "You can be very complacent as an employee hot when you're on your own, especially in this business, you have to give more than 100 per cent each day. What's more, you're only as good as your last job."

Her first five clients include a TV production company making a Channel 4 aeries, the London Mozart Players (undergoing a change of image under ils new artistic director, Jane Glover), if the husiness gets significantly another PR company (for which she is TV consultant) and Live bigger,

scheme for encouraging young musicians. "The PR company, for example, asked me to do a feasibility study-something Id never done before. I took a big gulp, discovered that I had the

Kissin intends to expand

gently, deliberately shunning the plush office, high over-bead image of many PR firms, The indispensable answering machine, an electronic type-writer and numerous directories are her only items of capital expenditure so far. "The plan is to walk before I can run," she says. She has no desire to move into other types of PR but could combine with another, like-minded individual

Small business abstracts

These abstracts are con nensed from the abstracting journals published by Anbar stanagement Publication Licensed copies of the original articles may be obtained at 53 each (melaiding VAT and p+p; cash with order) from Anbar, PO Box 13, Weinbley HAS 803.

Lite-cycle enanges in small family businesses, R. B. Pelser and L. M. Wooten in pusiness Horizons (U.S.), May/June 1983

Examines difficulties family businesses face in coping with growth and expansion; discussion the characteristics of small family firms; suggests that a "life-cycle crisis" occurs when the rounding and second generation goals collide; analyses "management" and analyses "management" and "family" issues leading up to a

crisis and advises on resolution. Managing stocks in a small business. L. H. Beard and others in Business (U.S.), April/June 1983

Describes different types of stock boldings, and related control systems, explains the calcu-lation of bolding levels, and suggests strategies to increase prunts.

> Developing graduate skills. Industrial Society (UK), September 1983

Outlinea the objectives of the government-sponsored Teaching company Scneme-to develop young graduates for careers in industry, improve manufact, ing through its use of academic knowledge/advanced tech · tech academic collaboration by providing reasearch projects. Describes bow It works, and the henefits it provides for participants, firms. particularly smaller

Internal theft reduction. W. A Formby and V. L. Williams in American Journal of Small Business (U.S.), Summer 1983

Discusses types and methods of internal theft and argues that, since it is a frequent cause of small firm failure, it warrants closer management scrutiny despite the view that losses an Inevitable and nighter controls combersome/expensive; con-tends that employee selection is the first line of defence, and outlines ways of recognising employee dishonesty. Pensions. J. Prett and others in

Accountancy (UK), July 83. A six-short-papers review of the pension scene, with particular emphasis on the effect on employees of job mobility, and on the position of working Tim Dickson directors of smaller companies. | companies concerned.

'Brain drain' hits ICFC

()

Financial Times Tuesday April 24 1984

BY TIM DICKSON

ICFC, the UK's best known prowider of long-term finance for small companies, is suffering from its own "brain drain." The boom in venture capital - inspired party by the Busi-ness Expansion Scheme (BES) - has created new opportunities for UK based inves managers with the right skills and has precipitated a rash of departures over the past 13 months from ICFC's regional offices and London headquarters.

Four ICFC managers for example, have left to run funds set up under the BES, while a further two have gone to develop venture capital activi-ties for other major City of London institutions

Publicly ICFC is philosophical about the defections and claims about the defections and claims that they are a reflection of its, own expertise and position in the marketplace. Privately, however, senior encutives of Investors in Industry (ICFC's parent) are extremely worsied by the dmin on middle manage-ment talent, and the gaps in experience which have been created. 15 years' experience in the assessment of venture capital proposition, management buycreated . The latest ICFC executive to

be tempted away is Donald Workman, until last week the manager of ICEC's London East office. A full announcement is expected tomorrow that Work-

man is to be managing director of the new Castleforth Fund, another BES fund set up this time by the Royal Bank of Scotstart on a lower salary but will land stockbrokers Laing and Cruickshank and the Scottisb Northern Investment Trust Castleforth, which is looking for up to £3m from private individuals to invest in unquoted companies, will be the third new BES fund announced for the 1984/85 financial year. But it is believed to be the first without a 1963/84 predecessor Many of the subscriptions are

Businesses for Sale

expected to come from private clients of Laing and Cruick-shank, the Royal Bank and Pauli & Williamsons; the Edinborgh solicitors who manage the assets of Scottish Northern, but Castleforth will also be markeeed nationwide, .-. It will be based in London and will be seeking to invest between £100,000 and £250,000. in qualifying UK businesses for.

:ture · capital partnership up to 25 per cent of the develop the venture capital enlarged share capital of the activities of bankers N. M. companies concerned. Rothschild.

the fund will be allowed to take in investee companies). " After so many years of helping other people to do their own thing and build up their company, I just wanted to see if I could do it myself," he explained yesterday. Other ICFC "alumni" rently making their mark with BES funds are former Leeds manager Barry Anysz, now chief executive of Yorkshire Capital Ventures; Paul Brooks, for

iromically, the brains behind the initiative is Robert Smith,

a general manager of the Royal Bank but ICFC's assistant gen-

eral manager until he resigned 18 months ago to take up his

present post. Smith, who is managing director of the bank's corporate finance subsidiary, has

outs and ahare reconstructions

Workman, meanwhile, is leav-

ing a safe and highly paid job

at ICFC to confront the brave new world of the BES. (He will

have a direct share in the options which the managers of

merly ICFC Nottingham, now with Charterhouse Business Expansion Fund; and Dr Richard Hargreayes, formerly ICFC London, now Baronsmead Business Expansion Scheme. In addi-tion, Robert Drummond, another assistant general manager is about to leave to join a venand Jeremy Hayward (ex ICFC (Edinburgh) has gone to help

:11:

19

Art

Music

(mag 1) = 1

A CONTRACT

North Control of Contr

Business Opportunities

not on."

four months ago and setting up her own public relations con-

compromise between family and

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS



THE ARTS

Così fan tutte/Covent Garden

Max Loppert

The ways is our Royal Opera are strange indede. The latest revival of its 16-year old Cost, point. All six singers are new to their roles in this house, though practised in them else-where (only Benjamin Luxon where (only Benjamin Larxon was essaying Guglielmo for the very first time); they formed, in essence, an attractive sextet, not perhaps naturally adapted to the kind of seamless blend that Ideally suits this most lim-pid and beantiful of vocal divertimentos (which is what this extraordinary opera must also be accounted), but with distinct and—even in the sad conditions in which they were actually presented on this occa-slon—evident potential.

rai

÷.

administration then elected to torpedo virtually any hope of realisation of that potential by offering the conductor's post to Christoph Eschenhach. If the programme biography contains full list of the renowned one point upon which an other-wise stylistically ragbag performance was united through-out the evening was Mr Eschenbach's utter readiness for such an opera in such a bouse. Put simply, he lacked the technical control to bring off his interpretative ideas; and as a result those ideas extremes of tempo were their most notable mode of expression — seemed in almost evary instance illjudged, jejeune, and unforgivably tedious, while often (as in an agonisingly slow "Per pieta") atretching the singers nn a rack of discomfort. This was

disbeartening enough. But the John Copley production, which even in pristine estate was ever ready mannerisms from the past to indulge in an excess of comic returned to take its place.

manocuvres, has in Christopher Renshaw's care collapsed to its revival of its 16-year old Cosi, lowest level yet of gross high ing a week of Midland Bank-sponsored Proms, is a case in all too nakedly apparent, an opera that can seem to touch the bighest and most mysterious pinnacle of the art was mada to come across nearly as devoid of shaded meaning and emo-tional complexity as the music would (even in these unhappy circumstances) permit. My heart went out to the singers, for I know how much more each one of them could have been encouraged to give; as it was, only the Alfonso of the distinguished Italian veteran Rolando Panerai, not always absolutely in tune but still ripe

of tone and still savonry and stylish in utterance, could at Having done so, the artistic all be judged a fair specimen. dministration then elected to For the record then: Luxon beliowed and capered, Lillian Watson took the most obvious, common view of Desnina and with great energy slammed it nut into the bouse, the Dorathis is his second operatic more seemly demeanour) was assignment (the first was a resolute in maintenance of an Traviata in Darmstadt). The irritating skittishness. In one point upon which an other bella of Ann Murray (from irritating skittishness. In a strong, proudly sustained "Tra-dito, schernito," Francisco Araiza made some amends for the colourlessness of his Fer-rendo earlier, and for the vocal flecks (such as the ho-ho-ing of every patch of semiguavers) upon a suave, well-tuned line. Elizabeth Connell has ti in ber to present a Fiordiligi of a quite different stamp from pre-vious Royal Opera incumbentsgrand, dramatically heightened. volced on the proudest classical scala. We were allowed more than a hint of this in "Come scoglio," but as the evening pro-gress and the call for sublety became more imperative, Miss Connell's newly acquired distinction of bearing appeared to leave ber and a bost of fidgety

Mahler & Strauss/Festival Hall

Dominic Gill

Last Thursday's concert was a triumphant finale to the Philharmonia's "Mahler, Strauss and their infinence" series under Simon Ratule. The series as a whole, indeed, has been a double triumph: for 'the Philharmonia, unarguably confirmed once more as London's leading orchestra; and for Rattle bimself, who has proved that if he is not yet a great conductor (the title is not so. early or 50 easily earned), he is already a conductor in whom the sparks of greatness are perceptibly alight

There was no Strauss in this final programme (the series title has in any case been more of an excuse than a theme). And any excuse at all was good enough for such an opening account as Rattle gave of e dern's Orchestra op 6-the evening's catalyst, alive with electric currents, crafted with the utmost delicacy and clarity, one of the most magical Webern performances that I can where the thread can so easily remember. The tiny fragment run slack — Das Lied was of the third plece was a marvel- magnificent.

lous distillation, rarely so exactly canght; the miniature funeral march, sepulchrally dark, was truly terrifying at its climax. completed. The American mezzo Florence Qivar was not the ideal soloist in Berg's Seven Early Songs: a ripe, sonorous volce that promised well but in musical ripe,

delivery was curiously un-focused, impoised. Diction was poor; ...words generally...were unrelished, unpointed; the emphasis. was everywhere general rathes that particular and precise... The orchestral playing, however, was so fine, as it was also in Mahler's Das Lied von der Erde after the interval, that one could forgive without too much difficulty the expres-sive shortcomings of Miss Quivar and of John Mitchinson **Trevor Humphries**

Ealing Broadway Centre-shopping mall: "the town square is dominated by a pair of towers with tiled pyramid roofs.'

Architecture

Colin Amery

Pilgrims, come to Ealing

Ealing, in West London, Is likely to become a place of architectural pilgrimage. It has always been on the route of all designed in a way reminiscent those who appreciate the work of a Victorian building hy of John Soane, who built there Alfred Waterhouse, boldly his own villa Pitzhanger Manor, scaled and clearly ordered with at present the public library. There are other architectural pleasures a nonwerful there spaces.

pleasures — a powerful brick 1860s rebuilding of the parish church of St Mary by that rogue architect S. S. Teulon, and a ing story. It tells of the power of the local residents; it reflects series of agreeable Georgian and early 19th century classical houses by the green. But now the disatisfaction that prevails with mechanistic architecture; there is something quite re-markable to see that is almost and culminates in a powerful new structure that inspires

respect and admiration. At the very centre of the It was the local pressure suburb lie 12 acres of shopping and office premises, what used to be called in the 1960s, "a central area redevelopment." Immediately the mind's eye has a picture of the concrete groups who decided in the late 1960s that they did not want motorways and tower blocks in the heart of Ealing. Up to seven local groups campaigned layers of a multi-storey car park, the ngly roof line of water tanks and unconcealed services, and the monotonous mediocrity of the system built centre full of dull shops, Imagine instead a brick

ment Trust. When you approach closer to the new beart of the one judged to be most in a Ealing it is detailed and keeping with the character of designed in a way reminiscent of a Victorian building hy Alfred Waterhouse, boldy scaled and clearly ordered with a hierarchy of comprehensible spaces. The history of this successful conqueror nf the developers' squalor of the 1960s is a reveal-ing about the Ealing centre ing about the Ealing centre is that it has successfully smothered that old jinx—that to be economically viable a new building must be devoid of decoration, colour and form, decoration, colour and form, At the beart of the centre is a Town Square from which the great variety of architectural treatment can be seen and enjoyed. Commerce and creati-vity have combined to banish the curse of concrete and the accounting of abstraction

anonymity of abstraction. It is a complex project. As seven local groups campaigned anonymity of abstraction. Centre is more inventive than instead, "to put the beart back It is a complex project. As that. It has faced up to the into Ealing," In the late 1970's, well as shopping the centre at a public inquiry into pro-posals by Grosvenor/EMI for a commercial and shopping and a considerable quantity of centre, the only supporters servicing and car parks. The were the paid witnesses. Ealing's protestors were not isfmily negative Than been to use a language and the suburban been to use a language and the and so many other towns that duil snops, Imagine instead a brick citadel, high walled with soaring composition as restored by Viollet-le-buc. This is the distant picture of the new Broadway Centre at Ealing designed by Building Design Partnership for John Laing Development Services, Legal and General Assurance and the Land-Securities Invest-

pyramid roofs. Suddenly we are in Nuremberg. The sports club, along one side of the square, is like tha prow of a Victorian pier but topped by a Prudential style roof. To fit in with the surrounding streets the office façades bave elaborate bay windows; they are hullt of reconstructed Portland Stone with gables and hipped dormer windows and slate roofs.

Like the Hillingdon Town Centre (by Robert Matthew, Johnson-Marshall and Pariners) Ealing is the style of the suburbs writ large.

Is this new architecture a kind of fancy dress? Is there something not quite straight-forward about the draping of contemporary commercial activi-ties in a cloak of historical styles? I think the Ealing Centre is more inventive than

curls.

Turandot/Theatre Royal, Glasgow

Max Loppert

The new Scottish Opera production of Puccini's last opera, unveiled last night, is a massive hout of producer's ego-tripping weakly disguised as a profound and innovative attempt to get to grips with the creator as well as the creation. This is Tony Palmer's first opera production; and in it be has taken some of the hiographical method prac-tised in his (wildly overpraised) composer portraits for television to an absurd and contemptible artistic conclusion.

The thinking behind the pro-duction was revealed, Sara Keays-fashion, only to The Times, which printed Mr Palmer's apologia yesterday morning. (It appears nowhere in the company's our mide in the company's own guide to the opera, which gives an entirely conventional Turandot synopsis — did no one at Scot-tish Opera actually consider the mystification that might descend on the poor newcomer to the opera who hadn't seen the newspaper and who was attempting to square what was seen with what was read in the programme?)

Basically, it runs in summary thus, In 1909 the Puccini household maid Doria Manfredi was hounded to suicide by the composer's wife Elvira, who accused her of being one of the composer's many infidelities. The central triangle of an opera that cost its composer greatest toil (and which, of course, be died leaving incomplete)—that of amorous prince, icy empress, and self-sacrificing slavegirl— affords notable parallels with Modes notable parallels with this slice of Puccini hiography. (Mosco Carner, In his cele-brated study, has outlined them with illuminating percipience.)

Why not go a stage further, and re-work Turandot the opera to disgorge that slice of bio-graphy as well? The reason for not doing so

is made plain in the actual experience, which amounts to a monstrous impertinence, and also to an act of artistic mis-Turandot as Elvira, and the theatre. The effect was laugh-minor functionaries and chorus ably crude, though it chimed got up in various Sino-Tuscan well enough with the work of combinations—makes in any the producer, who seems at cumulative reckoning for bottom not to have responded nonsense in the strictest to the score at all.

Basically this is an old bined—especially as there ashioned piece about a mature were occasions when I wasn't married couple and an Other quite sure that the right half fashioned piece about a mature married couple and an Other

had been given the lines. But approve the system or not, the playing of all five characters is delicious. There is no attempt to impose any similarity on the separate frag-ments, who appear like palts of players playing the same parts simultaneously. Besides the eight actors required to fill out

construction on a truly mind- term!) to usurp his and boggling scale, What we see— Puccinl's proper functions by Puccini's Torre del Lago bunt- extrapolating parts of the ing lodge and life implanted on choral and instrumental texture the opera, Liu as Doria, for amplification all over the Turandot as Elvise and the texture the texture

Passion Play/Wyndham's

B. A. Young

this level of nonsense; and at the close, when the Alfano ending is jettisoned and the "Non plangere Liu" section stuck on to provide the finale, that level of nonsense reaches lts peak. This is, apart from anything This is, apart from anything else, a terribly boring Turnndot —the effect of fitting it together has required the production to be delivered in near-oratorio stasis, and what one is used to thinking of as an opera of repellently calculated theatrical brilliance is denuded of almost all that theatricality. The pity

all that theatricality. The pity is that in musical terms the performance might have given the hasis for a more than respectable "real" Turandot. The last minute indisposition of Linda Esther Gray was a dis-appointment substantially made good hy Ludmilla Andrew's highly professional account of

understanding of the word. Nothing actually fits, or takes

dramatic life as an actual act

of music-theatre. Only a per-

formance given in the original

language rather than that of

the audience could have hoped to get away with sustaining

15

the title role, honestly sung, and uttered as though the words could actually mean something to the audience. Eduardo Alvares's Calaf, not always steady in high phrases, is strong, musical, and dignified in Puccini's characteristic dressing gown, cravat, and moustache. Marie Slorach's Liu Doria Is very touching, though last night she could not

though last night she could not quite spin her tones out; and the lesser roles, led by Willard White and Alan Oke, are soundly filled. In the pit, Alexander Gibson conducts an account of the music a little short on forward

projection hut full of appreciation for the richness of the scoring and the melodic invention. It was hard, though, to understand how he could have permitted Mr Paimer and his "sound-designer" (horrid

who joined ber. Their singing, merely adequate, made small paragraphs of the last song,

Texaco/NYT play competition

Great Britain. The competition, now in its second year, aims to encourage new writing for young people and is an exten-slon of Texaco's general spon-sorship of the National Youth Theatre.

The first prize of £3.000 also nffers production of the work as The Texaco Play in the Natinnal Ynuth Theatre's 1984 summer season. Second prize is £2,000, third prize is £1,000, and a special prize of £500 will

The largest first prize in any be awarded to the most promis-British playwriting competition ==53,000—is being offered by Texaco in conjunction with the of Michael Croft, Director of National Youth Theatre of NYTGB, Michael Coveney, Great Britain. The competition, drama critic, Financial Times, Bryan Forbes, Diana Quick, Charles Sturridge and Simon Ward.

'Roza' opens in June

Abbado's Ninth/Festival Hall

and the Land Securities Invest- brief was the insistence that by a pair of towers with tiled Keith Scott.)

Max Loppert

The London Symphony cycle apposite here than in the in the Scherzo quite prepared each passing page. This was the of Beethoven concerts under Second Symphony, last week, one for the flowering lyricism conductor transfigured, the Claudio Abbado came to sudden but the want of a property of the slow movement—one of Incandescent Abbado rememclassical dimension, in more splendid life, last Sunday, during the third and fourth implicit therein.

Symphony was fluent, lithe, the opening was keyed-up with well - sprung but essentially dramatic portent, and though devoid of wit, of new vistas in the imperious return of D npened up in surprises of detail minor later on the tug-of war speak for himself. (the repeated descent to a low between bass and trehle lines Though Abbado. The new Harold Prince musical Roza mpens at the Adelphi Theatre in London on Iventions of Beethoven sym-be directed by Harold Prince and will star Georgia Brown. Che a manufacture of the star a was perhaps mare inchestra to consult and star a sta

those rare moments in the than one sense, remained concert ball when almost everything falls into place, where

bered from the opera bouse but seldom encountered in the conexcited ,and bearing a signifi-cant resemblance to Kate. pbony. The preceding parts of the concert bad not prepared the Choral Symphony attained one for ths, Abbado's Eighth to greater power of statement. cert hall; and the result was a The two pairs divide their respective dialogue between them, sometimes with both baives of the character on stage the illusion, precious in this quantities of bright, unstrained symphony above all, that tone; three members of the cur-Beethnven is being allowed to rent Royal Opera Cost cast, speak for himself. Connell, Araiza, Luxon, all in together, sometimes only with that half appropriate to the current behaviour. The effect current behaviour. The enert is sometimes oddly reminiscent of O'Neill's Strange Interlude, with words and thoughts con-secutive. It is certainly effec-tive for the most part, but I confess that I grew tired of it

parties, the only other signifi

cant individual is Patricia Heneghan as Agnes, whose James has been married for a quater of a century and is flexing his 25-year itch with Kate, a girl younger than his husband was lured from her by Kate hefore, on his death, she Kate hefore, on his death, she turned ber tireless attention to James. The production, which makes use of a set with a revolve and other mechanical aids, is hy Mike Ockrent, and the set design ("very Habitat," said my neighbour) by Martin Johns No gradit is course for own daughters, Heather Wright as hright as her costumes. His affair is suspected, then de-tected by his wife Eleanor ----Judy Parfitt as serene and re-spectable as Mr Phillips, alias Nell, Zena Walker, more easily Johns. No credit is given for the fortissimo choral music that divides the scenes.

> GLC's May Day music Music stars of the Sixtles including The Searchers and The Swinging Blue Jeans will be participating in the Greater London Council's free festivals to celebrate May Day.

The first festival is at Vic-toria Park, Hackney, on Sunday May 6. It will feature music from Dave Berry and The Swinging Blue Jeans. On May 7 after a time, and thought wist there are festivals at Burgess fully bow things would gn if the Park, Southwark, and Lampton egos and the ids had been com- Park, Hounslow.

Arts Guide

Music

C

D

C

VIENNA

Vienna Symphony Orchestra, conduct-ed by Heinz Wallberg. Schubert, Mozart, Brahms, Strauss, at the Mu-sikverein Brahms Saal. (Mon). (658190)

(658190) Jeder Evening: John Shirley-Quick, Sara Watkins, Martin Isepp, piano. Busoni, Poulenc, Britten, Trubitt. Konzerthaus, Mozart Saal (Tre). (721211)

LONDON

St George's Day concert with BBC Concert Orchestra and Leicester Philharmonic Choir conducted by Ashley Lawrence, Programme of English music Barri Barriel Wall English music. Royal Festival Hall (Mon). (9283191)

Royal Philiparmonic Orchestra con-ducted by Norman del Mar with Philip Fowke, piano. Tchaikovsky, Rachmanizov, Elgar and Ravel. Barbican Hall (Mon). (638 5591)

London Symphony Orchestra conducted by Claudio Abbado with Manrizio Polini Beethoven. Royal Festival Hall (Tue)

Kyojim Mori, cello and Yasuko Katayama, piano. Beethoven, Schuman Cassado and Dohnanyi. Purcell Room (Tue). (9283191)

Royal Philbermonic Orchestra con-ducted by Yehudi Menuhin with Claire McFarlane, violin. Beethov-en, Vaughan Williams and Sibelius. Barbican Hall (Tue)

London Mozart Players conducted by

Harry Blech with Tomotada Soh, violin and Ifor James, horn. Haydn, Schumann, Weber and Dvorak. Roy-al Festival Hall (Wed)

Londoz Symphony Orchestra: Ballet music introduced and conducted by Antony Hopkins with Marguerite Porter, soloist of the Royal Ballet. Barbican Hall (Wed) Philiparanonia Orchestra condu ed by

Nicholas Cleobury with Paul Coker, piano. Nicolai, Bizet, Grieg and Tchzikovsky. Barbican Hall (Thur)

English Chamber Orchestra conducted by George Malcolm, harpsichord with José-Luis Garcia, violin and William Bennett, flute. Back. Queen Etizabeth Hall (Thur). (9283191) PARIS

Ensemble Vetera et Nova conducted by M. Sanvoisin: Lully-Motels for three women's voices and instru-ments (6.30 pm and 9 pm Tue), Bil-lettes Church, 24 Rue des Archives, Metro Hotel de Ville.

Musique Suisse de Fernmes Couroo teurs. International Chamber soloists: Kazandilan, Peyrot, Roesgen-Champion, Zimmermann (Tue, Wed) Salle Gavenu (5632030)

Ircam – Ensemble Intercontemporain conducted by Gianluigi Gelmetti: Castiglioni, Donatoni, Ferrero, Stravinsky (Thur). Thesire du Rond-Point. (2567080)

Chamber Music - Deller Consort conducted by Mark Deller: Europe's 1500-1700 courtly music, madrigals, songs, theatrical arias (Thur). Radio France. Grand Auditorium (524 1518)

Opera and Ballet WASHINGTON

National Symphony (Concert Hall): Andrew Davis conducting, Elmar Oliveira, violin, Vanghan Williams: Mozart, Schumann (Tue, Weds mat. Thur). Kennedy Center (254 3776)

(3828719)

ZURICH

Tonhalle: Tonhalle Orchestra conduct

· · . .

.

NEW YORK

perbly sung title role by Alfredo Kraus, admirably partnered by Lu-cia Valentini-Terrani as Charlotte, Gino Quilico as Albert and Christine Barbaux/Marie-Christine Porta as New York Philharmonic (Avery Fisher Hall): An elbow operation has side-lined Zubin Mehta for six weeks. Conductors to be announced for reg-ularly scheduled programmes. All-Backman programmes. All-Sophie; alternates with Mussorgs-ky's Boris Godunov, conducted by James Conlon, with Nicolai Ghiauulariy scheduled programmes. Ali-Brahms programme with Marvis Martin, soprano; Thomas Allen, bar-itone; Westminster Choir directed by Joseph Flummerfelt (Tue); Ali-Brahms programme with isaac Stern, violin (Thur). Lincoln Center, (272,2424) rov in the title role, Martin Mahe as Fiodor and Marie Christine Porta as Xenia, at the Paris Opera, (7425750). Aenia, at the Faris Opera. (7425750). BHI T. Jones - Arnie Zane and Compa-ny, the next wave of American mod-ern dancing at the Théâtre de la Ville. (2742277). Serapion's Theator: Double and Para-dise - an unercorded Austrian (8742424) Carnegie Hall: National Orchestra of

7

dise – an unexpected Austrian spectacle full of imagination at the Théâtre de Paris (2800930). Paris Operas Ballet Stars Rudolf Nu-Carnegie Hall; National Orchestra of New York, Alvaro Cassuto conduct-ing, Abbey Simon plano. Liszt, Rachmaninov (Tue); Boston Sym-phony. Sejil Ozawa conducting, Ivo Pogorelich, piano. Tchaikovsky, Shostakovich (Wed, Thur). (2477459) Merkin Hall (Goodman House); Charles Libove violin and Nina Lu-mont plano. metihal Britten Ba-merkin Patter States (Construction). reyev, Patrick Dupoid and Claude de Vulpian and ballet corps at the Thèâtre des Champs Elysées. (7234777).

PARIS

Georges Pretre in Florence's Teatro

et's Werther conducted by

nale production, with a su-

LONDON

charles Labove viant and Kink Life govoy piano recital Britikan, Bee-thoven, Mozart, Poulenc (Tue); Tre-mont String Quartet, R.M. Schafter, J. Willey, B. Johnston, Marc-Anto-nio Consolt (Wed); Victoria Vesell, piano, 18th & 20th century keyboard music (Thur). 87th W of Broadway Royal Opera, Covent Garden: Cosi fan tutte returns with a cast entirely new to the house, and very interes-tingly chosen - Elizabeth Connell, Ann Murray, Lillian Watson, Fran-cisco Araiza, Benjamin Luxon, Ro-lando Panerai, and pianist Chris-toph Eschenbach in his British opera-conducting debut. (2401066)

English National Opera, Colisenn: Verdi's Sicilian Vespers, a Parisian product of his middle years and uned by Racto Tschupp. Beethoven's Missa Solemnis (Thur). (2212283)

til recently one of his most unjustiv til recently one of his most unjustly neglected works, joins the ENO rep-ertory in a production (borrowed from Paris) by John Dexter and con-ducted by Mark Elder; the cast is at the house's full strength – Rosalind Plowright, Kenneth Collins, Neil Howlett, Richard Van Allan. The Resenburging is patchle for gun of Rosenkavalier is notable for mie of the most striking female trics in the production's nine-year lifespan – Josephine Barstow, Anne Dawson, Sally Burgess - a distinction of cast-ing sufficient to outweigh the weak-nesses of conducting (Friedrich Pisyer) and ensemble also in evi-dence (Fest 2181) dence. (8363161)

WEST GERMANY

Berlin Deutsche Oper: A new produc-tion of Pelleas und Melisande pro-duced by Götz Friedrich bas Karen Armstrong and Ryland Davies in the leading roles. Lobengrin and Der Fliegende Holländer are also of-fered this week. The latter has Donaid McIntyre in the title role. Don Pasquale has been highly acclaimed with Karin Ott and Barry McDaniel. (34381)

Hamburg, Staatsoper: Der Trouba-dour highlights the week with Leo Nucci and Jelena Obrazowa. Der Barbier von Sevilla has Alicia NaFe as Rosina and Richard Curtin as Basilio. Die Meistersinger voo Nürnberg is produced by the con-troversial Herbert Wernicke, and has Wagner specialists Hans Sotin, Halrad Stamm and Robert Schunk.

Frankfurt, Opera: Parsifal has Walter Raffeiner in the title role. Nelly Mi-ricioiu does justice to the title role in Manon Lescaut. Madame Butterfly is conducted by the talented young American Judith Somogi. Ferrucio Busoni's rarely-played Doktor Faust rounds off the week. (25621) ITALY

April 20-26

Milan: Teatro alle Scala: Verdi's Lombardi alla prima erociata con-ducted by Gainandrea Gavazzeni and directed by Gabriele Lavia; La July I. Strada, choreography by Mario Pis-toni and Music by Nino Rota, with Carla Fracci. (809126)

NEW YORK

American Ballet Theatre (Metropoli-tan Opera House): The eight-week tan Opera House: The eight-week spring seesoo starts with a gala premiere of Mikhail Baryshnikow's Cinderella, choreographed hy Bar-yshnikow and Peter Anastos. Other premieres include works by Twyla Tharp and Martine van Hamel, Na-tolia Marguno's naw starting of Patalia Makarova'a new staging of Pahave been given new frame guita and company premiere of Sir Kenneth MacMillen's Triad. Compa-ny favourites in the repertory in-clude Swan Lake and last year's premiere, August Bournonville's La Sylphide. Lincoln Center. (5609630). WASHINGTON

Metropolitan Opera (Opera House): Lthe hundredth annual spring tour well as 150 frames without pictures. 100 are on show. starts with a lortnight's programme of seven operas, including Frances-ca da Rimini conducted by James Levine with Renata Scotto and Placido Domingo; Rinaldo, conducted by Mario Bernardi with Marilyn Home; Thomas Fulton conducting Ernani with Ermanno Mauro in the title role and Jon Vickers in the title role of Peter Grimes conducted by

David Atherton, Kenned

(254 3770).

Praise the frame/Amsterdam

Rob van Mesdag

Constantijn Huygens, the 17th tures commissioned specifically to century writer and poet, considered fit above a manulepiece or on some a picture and its frame to be one in wall. Most frames in the exhibition tegral unit, the two complementing are of ebony, reflecting the wide each other. Words to this effect pro-use of this wood for framing in the vide the title, "Praise the Frame," of 17th century, imported from Dutch an exhibition of picture frames in colonies. Amsterdam's Rijksmuseum until During

During the second half of the century a fashion developed for frames This means, by inference, that to be embellished with sculpture any removal of an original frame work, usually gilded. A grisaille from its painting and its replace- "The Battle at Livorno" by Willem ment by another, would be unnatu- yan de Velde the Elder, has a frame ral, not to say wrong. Yet this is pre- in which fashions have merged. its cisely what has happened since Hu-bony frame is decorated with gilt influences of fashion and the per-and bottom.

sonal preferences of private collec-

Most impressive, although not necessarily representative of the tors and museum directors, that the majority of 17th century pictures period, is the frame around the painting of a sea battle of Blancker-Even the Rijksmuseum bas been hoff. The sculptor was Jobannes guilty, but now the tide has turned. Kinnema, who incorporated in the in fervent pursuit of anthenticity, frame almost every item of fighting Rijksmuseum staff bave been equipment and every navigational scouring the country for whatever instrument in use at the time. He 17th century pictures in original frame remain. Of the 450 located, as was awarded a boous of 100 guilders, above his fee of 475 guilders, in appreciation of the work which bad taken him one and a half years.

On entering the exhibition it The catalogue, in Dutch, gives a seems strange to be advised to coocentrate one's attention on the detailed account of the research unframes instead of on the pictures. dertaken by the Rijksmuseum to lo-But the message is abundantly cate, record, evaluate and describe frames of 17th century Dutch paintclear, thanks to the variety of frames, to sectional drawings of ings - the first study of its kind, each type - dish, flat, ogive, con- which increases considerably the cave, reverse - and the exuber- information available on this still ince of those frames around pic- little-known subject.

(351151)

FINANCIALTIMES BRACKEN HOUSE, CANNON STREET, LONDON EC4P 45 Telegrams: Finantimo, Londan PS4. Telex: 8954871 Telephone: 01-248 8000

Tuesday April 24 1984

The rules of diplomacy

THE SIEGE of St James's were lax in allowing the Square, outside the Libyan Embassy in London, ought to be over by the beginning of next week. In the circum-stances, the British authorities have behaved promptly and correctly. As might be expected with a lawyer at the head of the Home Office and another as Foreign Secretary, the decision to break off diplomatic rela-THE SIEGE of St James's Foreign Secretary, the decision to break off diplomatic rela-tions with Libya and the manner of doing it are entirely in line with the Vienna Con-vention of 1961. Exemption

16

Article 9 of that document makes it clear beyond doubt that the bost state may declare at any time a foreign diplomat persona non grata. Paragraph 2 of the same article goes on: " If the sending state refuses or fails within a reasonable period to carry out its obliga-tions under Paragraph 1, the receiving state may refuse to recognise the person concerned

recognise the person concerned as a member of the mission." The shooting in St Jamea's Square took place a week ago. To give those inside the Libyan mission a deadline of next Sunday to leave must constitute a reasonable period.

The Vienna Convention lays stress on diplomatic privileges and immunities. Article 41 says, however: " It is the duty of all persons enjoying such privileges and immunities to respect the laws and regulations of the receiving state." The evidence does not suggest that British laws and regulations have been always respected by members of the Libyan mission---with or without diplomatic status. In effect, they are being offered the promise of safe conduct in order to get them out of the

Impressive

All that has been well handled on the British part. Yet two questions remain. One is whether more could have been done to prevent auch an inci-dent in the first place. The second is what can be done to prevent anything like It happening again. They can be answered together. whether more could have been

being done up once more. Battered and pitted, no longer glamorous even for its horrors, it is heing tricked out for show again. Times have changed, say the people from the Industrial Development Board who are marketing the province: come and see how normal we are. Their slogan: "Judge us on the facts." Here are two sets of facts, from an Ulster day. In a high, old-fashioned office In a high, old-fashioned office on Queen's Island in the docks, surrounded by intricate models of great ships, Mr John Parker, chief executiva of Harland and Wolff shipyard, talks of modarn-isation, new orders, future growth. The yard has recently gained its first naval order for

ORTHERN IRELAND is

were lax in allowing the gained its first naval order for 15 years and more are confidently expected. As Mr Parker talks, low-voiced and unhurried, two parttime police constables are shot dead in Armagh. TV screens in dead in Armagn. IV screens in the closely guarded head-quarters of the Royal Ulster Constabulary in 3 Belfast suburb flash the newa monoto-nously. A senior RUC official says: "In a situation as vicious as this one you shouldn't use nartitimers "

The convention also has its grey areas. Paragraph 3 of Article 27 says: "The diplo-matic hag shall not be opened or detained." Paragraph 4 of the same article says the bag " may contain only diplomatic documents or articles intended for official use." part-timers." part-timers." On which facts is Northern Ireland now to be judged? Those whom the IDB are attempting to woo to the pro-vince may find that their minds move uneasily from one image to the other.

It is less than clear how this is to be checked. Paragraph 2 of Article 36 says that a diplo-mat's personal baggage shall be "The image problem remains the single higgest impediment to success," says Mr Adam Butler, the Northern Ireland Minister. "It is out on its own. But the reality is very different."

mat's personal baggage shall be exempt from inspection "unless there are serious grounds for presuming that it contains articles not covered by the exemptions." It appears that the net effect of this has been to allow diplomatic to get mater First, the good news. Harland and Wolff's recent success is indicative not just of a modest allow diplomats to get away with murder because receiving upturn in its tough market, but with murder because receiving countries did not want to risk the possibility of a diplomatic incident by insisting on inspect-ing baggage even when there were serious grounds for doing also a sign of its competitiveness and mipressive ability to deliver. Its naval order is for a 530m replacement for the auxiliary vessel Engadine, and it has signed letters of intent for a The conclusions are straight-£50-£60m order to build two automated container ships for forward. The Vienna Convention needa to be more rigorously the Lykes Brothers of the U.S. adhered to. Britain could take the lead in appealing for this. Mr Parker, a Belfast nativa wooed hack from British Ship-builders last year hy Mr James Prior, the Northern Ireland Secretary, Is as hard-headed a man as a hard-headed province It should find no lack of support since, although it is the iatest victim of abuses, it is hy no means the only one. The countries of the European Com-munity, in particular, should

could produce. The 10,000-strong labour force of the early 1970s has been shaved down to 5,500; the vast 330-acre sita is losing 90 acres have common cause. It may be also that the articles affecting inspection of the baggage need to be strengthened, though a great of old buildings and docks; a £9m cost saving programme is under way; flexibility agree-ments have been concluded with deal could be done simply by properly applying the present rules. Those suspected of abusing them should no longer be given tha benefit of the the workforce and others are still being sought. Most of all, though, Mr Parker is trying to

The Vienna Convention on diplomatic relations is an impressive document which, by and.large, has stood the test of time. The problem is that it has been applied too loosely. Those who have wished to abuse it have heen generally allowed to get away with it. At least with hindsight, it can he seen that tha British authorities

stem less from internal failings than the state of the world's order books — and a Korean industry which, Mr Parker says, "has the great marketing home as man Parker; but with open eyes: "The infrastructure's a eyes: "The infrastructure's a bit thin. The disappointing thing is that we have got so little high tech industry. We idea of taking whatever price anybody quotes and under-cutting it by 10 per cent." He is in no donbt that the province. have just got to attract more. Shorts has something to offer there, so we will play a part." and the UK as a whole, must retain a shiphuilding industry. Much has, rightly, been made He has shown some success in keeping an important part of it of these successes. But they are alive, but still lives in the eye of the storm. If it overwhelms him, Northern Ireland loses not the only, or even the main facts on which Northern Ireland will be judged. The prospective



And now for the better news.

By John Lloyd, Industrial Editor

work for 6 per cent of its labour force and 150 companies iose their major customer.

Heir major customer. Half a mile away, Sir Philip Foreman has done some of his own cutting and has survived. The company of which he is chief executive, Short Brothers, is even begins to survive guards and guns, security doors and bag searches, are omni-present. Instead, he or she will discover a curiously embryonic society, ona in a state of being is even beginning to prosper. It is another famous name: prepared for something else to happen, or for normalcy to two still more famous brothers, Orville and Wilbur Wright, return once more. placed orders for six biplanes with the hrothers Short in 1908.

Men and Matters

display his gift for ad-libbing his overall performance. But and television debate. But his act is looking jaded. Communist party in France.

Sitting pretty

usual seating position.

By bread alone

Not content with its well-earned

reputation for automobila engineering the German car-maker BMW is now trying its

maker haw is now trying its hand at a spot of social engineering. "Wa believe we have made a break-through in marital harmony," says Tim Greenhill, sales director in Britain. Careful research by BMW has decided thow that four third

Now the company founded in a garden shed makes light aircraft, large airframe com-ponents and guided missiles. After months of impatient

waiting, Shorts recently landed a £115m order for 18 Sherpa aircraft for the U.S. airforce, with options for 48 more. It will be the first UK aircraft to enter regular service with the USAF since the war and it is a great coup,

Sir Philip's market place is less savagely depressed than market in 1976 just when the airlines were looking for a small commuter plane. The Sherpa is the military version. Tha new 36-seater—the 360—could carva out a similar niche.

Shorts now employ rather more workers than Harland — 6,000 in all—and it regularly hrings back Queen's Awards to Queen's Island. Sir Philip, a farm labourer's son from Suffolk, is as committed to his

and television debate. But his act is looking jaded.

Since he became party leader

the Communists have seen their

political influence in France decline steadily from between

20-25 per cent of the national vote to 15 per cent in the last

parliamentary elections three

years ago. Marchais is trying to stir up morale for the European elec-tions which he regards as essentially a national poll. But his party has been the big loser in a recent string of local elec-tions in France, and has suffered the embarrassment of being accused repeatedly of irregu-larities and cheating at local polls.

Marchais has often been out-manoeuvred by Francois Mitter-rand, the French Socialist President. On two previous

occasions Marchais caused open splits in attempts by the French

left to have a common political

programme. His objective on each occasion appears to have

been to undermine Mitterrand. But Mitterrand held him off,

and once again appears to have

Marchais' response has been

to conduct e two-pronged politi-

cal strategy of criticising the

government on economic and

social policy, while remaining

part of the government for the so-called good of the left. Out-side the government the Com-

munists risk losing even more political influence. And Mar-

causing a damaging split in the French left.

been a constant topic of political gossip in France for the last

chais would again be hlamed for like Greggs, the bakers.

Marchais on the spot.

years ago.

polls.

munists he acknowledged that

the Communists were given

unfair treatment by the French

Press. The recent case of the Soviet Tupolev aircraft going

astray over the naval hase of

investor or settler will certainly offered is high. In the hig, not find the war-torn statelet of early 1970s TV coverage, though guards and guns, security doors and bag searches, are omni-given closely and sympathetically supervised training in skills ranging from traditional metal-bashing through car repair to computer programming. At the Quest workshop,

return once more. Government, in the sixth year of generally non-interventionist Tory administration, is every-where—owning, underpinning, supporting, sponsoring, pump priming or just plain pumping. At the Quest workshop, burrowed out of an old linen factory, the sounds are the fizz of soldering rods and the click. and buzz of keyboards and printers. Founded by a group of academics from Queen; Uni-

The prospective investor will discover a curiously embryonic society

Mr Parker's, but as competitive. The company's 30-seat aircraft Tha Northern Ireland Office, more links to the community —the 330, based on the Skyvan and especially its Department of than most of the UK's colleges transport plane—hit the U.S. Economic Development (DED) — it trains some 150. unem-Economic Development (DED) — it trains some 150., mem-and IDB, are pushing money and ployed youths in electronics and 105, are pissing noisy and manpower into the gaps left by the failure or flight of private enterprise—with the explicit intention of pulling out once more when (if?) investment assembly and simple computing. Industrial relations are rela-

Financial Times Tuesday April 24 1984

Ŵ

- 22

bentir

Lief.

 ${\rm d} = {\rm d} {\rm$

The Harland and Wolff shipyard

Advisory Conciliation and Arbimanent representatives abroad tration Service, in smoothing over disputes. backed up by visits. The IDB's new approach

Community relations — by which is meant the relative em-ployment of Protestants and Catholics remains a largely unlaunched earlier this year under the general rubric of the "Northern Ireland Parinership," is imaginative: besides balancing inaginative: besides balancing the board's act more equally be-tween domestic and overseas business, Mr Hopkins and his colleagues have sought to use husiness people themselves to spread the word, keeping in the background are word, and are are mentioned embarrassment. Mr Bob Cooper, head of the Fair Employment Agency, has a mobile face with the lines and dark shadows which suggest a rough, highly contentious job. A lot of businessmen don't like the government-sponsored ckground as much as poscihia Thus when the "Partnership went West" to the U.S., its prime exhibit at the New York

FEA, charging if with stirring up dissension by naive reports where 'quiet, incremental change would suffice. Harland and Short's, both the subject of launch was Mr Marshall Butler, president of the U.S. electronics expanded its Coleraine plant. The partnership has set up a "loosely structured framework of friends" in the UK to spread FEA investigations, have brought in new recruitment procedures for their overwhelm-ingly Protestant workforces but do not like to talk about them. Says Mr Cooper: "If an organi-sation is getting its people from one community only it should ask liself why." the word.

Underpinning the IDB effort is money. An incentive pro-gramme approved a year ago gives relief on corporation tax. The urgenf questions remain:, will new jobs be created? will the decline, in manufacturing, more precipitous even than that on the mainland, be halted? will

gives rener on corporation tax. of up to 80 per cent, the aboli-tion of all rates on industrial premises, a 30 per cent grant on energy saving projects and a scheme to attract new manage-ment from outside Northern Ireland. on the manufactory will the province ever lose its bandit country image? Mr Tony Hopkins, the relent-lessly, optimistic deputy direc-tor of the TDB, says mildly that "Irs-very" difficult—but that only makes us here work harder and he more imagination. Foreign investment remains the critical area. Mr Butler says: "I do not believe there is any prospect of providing the extra employment we!need by just building on the manufacturing base. Therefore we have to and be more imaginative." Mr Hopkins has set the IDB on three legs: the encouragement and support of small business: persevere with our inward investment exercise-though the the support of medium and effort we have to put

France's Left in disarray

THE DECISION by the French Communists to support the Government in the vote of confidence just before Easter has done no more than paper over the deep cracks which have administration's unity. Before casting their reluctant the communist mate in the left-wing administration is unity. Before casting their reluctant

Before casting their reluctant votes the Communists made it plain that they were as opposed as ever to their Socialist coalition partners' authority and industrial restructuring policles and insisted that their own views should be taken into consideration in future. The Communist Party could have given no more telling demonstration of its present impotence than it did hy adopting this contradictory stand.

If fundamental policy con-siderations rather than political expediency had been their main criteria, tha Communists would bave abandoned the Government, in which they have four Ministers, a long time ago. For those policies which they

could sincerely support, such as the massive nationalisation pro-gramme, the much-criticised reflationary measures while tha rest of the world was in recession and a whole series of social reforms, were put into effect within 18 months of the Govern-

ment's birth. Since March 1983, however, President Mitterrand, with the patient support of M Jacques Delors, his Finance Minister, has been obliged to follow a very different path, described as "economic realism"—a disarmingly self-critical comment on what went before.

Deflationary

The deflationary policies, plant closures and huge lay-offs, particularly in the steel, coal and motor industries, which have accompanied this coming down to earth by the Socialist President and Ministars are anathema to the Communists.

Quite apart from Ideological considerations, the party can-not be seen to dissociate itself from the country's largest trade union, the CGT-itself Communist-led - which bitterly opposes the Government's indus-

parliamentary strength and to be numbered. The question popular support is currently so that remains is not so much fragile that it could not take its whether the divorce will take opposition to the Government's place but who will be master policies to its logical conclusion. of its timing.

Marchais-the throughout the last two decades, the Communists have seen their reluctant ally For the French Communist party and Georges Marchais, its leader for tha past 14 years, the confidence debate in the National Assembly was an following in the country dwindle to less than 16 per cent today. For President Mitterrand, who imposed the parliamentary confidence vote on his partners as a test of their loyalty and the uncomfortabla and humiliating experience.

a test of their loyalty and the Socialists' strength, the exer-cise has turned out to be yet another demonstration of his mastary of political tactics. In spite of his open opposi-tion to the austere industrial and economic policies of the Socialists Marchais felt he simply could not afford to cause an open split in the French left No-one can be under any illusion, however, that the Left has thereby recovered its unity. The basic differences between tha two partners remain, since it is most unlikely that the Government will abandon its industrial restructuring policies by pulling his party out of the governing coalition with the Socialists. So the Communists backed the government in tha

crucial vote of confidence. before they have achieved their desired results. However, Marchais, who as a political leader may have turned out to be an electoral liability From M Mitterrand's point of view, the usefulness of the Comfor his party, hut who is still probably the most entertaining munist connection, at least in the longer term, is no longer evident. He needed the Com-munists support to ensure his probably the most entertaining political personality in France, had one good moment in the debate. After forcing some more helpings of humble pie on economic policy down the throats of the Communists, Pierre Mauroy, the Socialist election as President in 1981 and subsequently rewarded them hy bringing them into the Government. This move also served the additional purpose of neutralising them as potential prime minister, goofed. Trying to show some sympathy toward the Comopponents.

The Communists were tamed only temporarily, however. Last springs radical shift in the Government's economic stance has turned them into permanent snipers who are sapping the Government'a energy and resolve.

Toulon was a good example, he remarked. Moreover, the growing dis-That incident was widely and satisfaction in the country as a predictably reported by the whola with the Government's French Press as Soviet espionage. Marchals got up, looked at the premier and said policies must have forced the President to contemplate the possibility of governing with a different parliamentary majority "The Tupolev incident con-cerns the Soviets and not the than the present one after the 1988 legislative alections. If the alternative is to be an admini-French Communist party." He then sat down to thunderous stration closer to the centre than applause from the French rightwing opposition parties. to the left, that would naturally

exclude the Communists. Whichever way the prohiem is approached, the days of the Dwindling vote trial policy. Yet the Communist Party's Union of the Left now appear But moments like that are becoming few and far between for Marchais these days. The 63-year-old French Communist etary-general continues to

ectorer at Queen's, says that "In recent years, carnings levels have tended to catch up with the UK average Youth Training Scheme in the rest of Britain-has to cope with unemployment levels of more than 21 per cent, rising to around 50 per cent in some areas. The scale of the prob-lem, coupled with the thinness suit of wage parity with Great Britain by trade unions has been the cause of many indus-trial disputes." of the private employer base, forced the DED to rely heavily But the Labour Relations Agency, headed by the emol-lient Brendan Harkin, a former forced the DED to rely heavily But the Labour Relations Small businesses have their on state-funded government Agency, headed by the emol-training centres, work prepara-tion units and further educa-tion colleges. The standard of training est UK counterpart, the foreign business is done by per-

did just that in 1980 when it did just that an 1980 when it bought 20 per cent of Greggs (260 shops supplied from bakeries in Newcastle, Glasgow, Leeds and Manchester). Hambros Bank is offering for sale today 2,532,000 Greggs shares at 135p a share—and the mineworkers' pension fund stands to make a handsome profit.

profit. The fund paid E500,000 for its stake in Greggs. As part of the Offer for Sale it is selling 700,000 shares for £945,000. If that sale succeeds it will leave the pension fund with 12 per cent of Greggs worth £1,755,000

at the sale price. In short, this British invest-ment stands to give the pension fund a paper profit of £2.2m after four years. Not a bad, flutter for the

miners.

decided them that few things irritate a driver more than to No hawker

and that the driving seat has been moved from his or ber favourite position by another Sir Geoffrey Howe has received an unexpected glimpse of Hong Kong's economic miracle during his brief visit to the territory. Government officials arranged a visit to the New Territories town of Shatin, in the course of driver. And wives are the parties most likely to be held guilty of that offence when husband jumps into the family car in which Howe would drop in for a cup of tea and a chat with a street hawker, Mr Yeung, his the morning-already late for so BMW has started to offer street hawker, Mr Yeung, his wife, and his seven children. It would be an opportunity for the British foreign secretary. to gather at first-hand grass roots opinion on the questions surrounding Hong Kong's future with its more expensive models an electronically-controlled seat which "remembers" tha driver's Presumably BMW owners will consider £\$40—the cost of the unit-a small price to pay to secure domestic bliss.

future. As it happened, however, conversation was limited by a factor even more powerful than the usual language barrier, Howe whirled in hy heli-copter amid crowds of local If Arthur Scargill can steal a moment or two for reflection residents and proceeded to the Yeungs' flat. But the elderly couple turned out to have left today in between organising his picket lines he will be giving thanks for British businesses Hong Kong the previous day for a holiday in Japan. Only recently Scargill lost a

legal battle over the investment Marchais is also hotly criti-cised within his own party. Speculation of his stepping down from the laadership has Big job

News of old boys in a Shrop-shire school magazine: "After a of Mineworkers' fund trustees, be said at the time, was that spell at chicken farming Peter has been engaged by a carpet company to cover Lancashire money generated by British industry for a pension fund abould be used to invest in In almost any other political about be used to invest in party Marchais would probably Britain. have long since been sacked for It ao happens that the fund and Cheshire."

Observer

large husi s; and the pursuit of inward investment.

Support for local business means the IDB is both a financial prop and a nagging partner, pushing husiness to find new markets and take on new products.

Small businesses have their

and the cost of overseas repre-sentation, means the cost of future jobs will be very high."

future jobs will be very high." That cost, and all the others, will continue to be paid. The remarkable feature of Northern Ireland, half way through its second decade of the next stab-born bout of " troubles " yet un-leashed upon it, is the enduring will to make fresh beginnings. That in itself may do as much to improve its stabbornly had image as anything else. image as anything else.

Who could fail to wax lyrical in a sumptuously appointed conference suite at the Inn on the Park?

HEAR

Such beautiful surroundings are enough to turn even the most reserved company spokesman into an orator of legend.

As an arena in which to discuss affairs of business, there is simply nowhere more conducive to inspiration, more attentive to detail, or more richly memorable than the Inr on the Park.

Whatever the matters in hand, whatever the numbers involved, the inn on the Park can make your every resolution stand out in a style nothing short of magnificent. Cuisine inspired by our famous restaurants,

impeccable service, and elegant decor blend their inimitable roles to create the perfect setting for any business gathering. But then, perfectionism in all things has always.

been a convention here at the inn on the Park. Call David Petrie or Tony Rivers on 01-499 0888.





Inn on the Park Hamilton Place, Park Lane, London WI.

· · · '

MOZAMBIQUE'S ECONOMIC CRISIS Why Machel is wooing the West

By Michael Holman in Maputo

around 40,000 today.

pendence.

terrace, habitues from East Germany, the Soviet Union and Cuba warily eye the newcomers —delegations of South African businessmen whose discussions with local officials range from multi-million investments in tourism to the revival of plant and machinery which stands idle firr want of spare parts worth a few thousand pounds. It is the most visible sign of a dramatic change in the region, signafied by the signing last month of a non-aggression pact between South Africa and Mozambique. But much mnre

Mozambique is seeking closer links with the West. The signs include applications for membership of the International Monetary Fund (IMF) and the World Bank, and renewed efforts to encourage Western investment in agriculture, industry and mining. Senior government officials maintain that the state which

proudly declares itself Marxist-Leninist has not changed its fundamental principles. "We. have always been open to Western trade and investment," says Mr Prakash Ratilal, governor of the Central Bank. Yet e severe economic decline. the combination of devastating drought and flood, and the impact of the South African - backed Mozambique National Resistance (MNR) have furced President Samora Machel's government into e farreaching reappraisal of internal conomic policies and foreign relations.

In the move to involve the West, President Machel has an incongruous ally. When Mr Pik Botha, South Africa's Foreign been inconceivable: invest in ful of university and secondary Mozambique. school graduates.

ould demonstrate both to sceptical black Africa and the outside world that a constructive relationship with the white in-dustrial and military giant of the region is possible.

MAPUTO'S elegant, white balu- For President Machel, the straded Polana Hotel on the success of the new accord may seafront is coping with an influx be a matter of personal survival.

searront is coping with a He must convince doubles in of unaccustomed guests. He must convince doubles in Seated at tables on the his own party of the merits of torrace, habitues from East co-operation, as well as deliver the goods to 13m impoverished countrymen

countrymen. For President Reagan, it will add credibility to the United States polley of "constructive engagement" with South Africa, which, he has argued, will bring benefits to the region

will bring benefits to the region while undermining the in-fluence of the Soviet Union, Mozambique's leading ally. Evidence of Mozambique's penury is not hard to find. Shops in Maputo, Beira and other centres are bare. Basic com-modities are strictly rationed, petrol is in short supply and internal flights frequently can-celled for lack of fuel. is taking place below the surcelled for lack of fuel. In Maputo's city market the

In Maputo's city market the vegetable stores are empty and long queues form for a small pile of bread loaves. Industry, hit by shortages of spare parts, raw materials and skilled man-power, operates at little more than 15-20 per cent of capacity. The reasons for the decline go back m the turmoil of in-dependence in 1975. More than



200,000 Portuguese settlers left virtually overnight, taking with them cars and trucks, and Minister, bosted e hunch re- abandoning—in some cases, cently for the ambassadors of sabotaging—their husinesses leading Western nations be re- and farms to a government portedly urged a course which a which inherited e 95 per cent few months ago would have illiteracy rate and a mere hand-

It stems, of course, from The country was immediately mutual self-interest. The re-covery of the Mozambique desia's (now Zimbabwe) war of minating in the current crippl-ing drought which began in 1981 covery of the Mozambique desia's (now Zimbabwe) war of economy with South African as independence, applying econ-well as Western essistance omic sanctinus and enduring and which has cost up to 100,000 lives. The toll is likely in rise, with relief efforts hampered by the security problems posed by Rhodesian attacks on bridges, railways and dams as well as hitting the bases of Mr Robert the MNR, active in all ten pro-

hitting the pases of A At the same time, pointy and Magabe's guerrillas. At the same time, pointy and The Zimbabwe settlement in comings—notably in agriculture 1979 did not bring peace. Tha —have had an adverse effect.

Zimbabwe, hundreds Ia refugees from

Mozambique National Resis Government bas ploughed re-Rhodestan Government, was farms without the expertise to adopted by South Africa. In maintain them, or sufficient maintain them, or sufficient foreign exchange for spare 1982 alone, says a recent government report, rebels desparts and equipment to keep troyed 489 primary schools, 102 them going. health clinics and 400 stores or A decisio

A decision taken last April to provide greater backing for commercial enterprises were ransacked or forced in close as peasant agriculture-better sup-plies of inputs such as seeds, relations with South Africa deteriorated. So the vital econ-omic links declined, leading to a drastic fall in foreign extools and fertiliser, and incen-tives in the form of consumer a urastic fall in foreign ex-change earnings. The republic's use of Maputo port by the end nf last year had fallen th 16 per cent nf pre-independence levels. The num-ber of migrant workers in South African mines whose alary remittances bad been the largest single source of foreign

the government started to fall behind for the first time in the servicing of its debt to nonlargest single source of foreign exchange—has fallen by 60 per socialist countries (put at \$1.4bn). By the end of 1983, cent, from 118,000 in 1975 to debt service arrears totalled \$152m, and arrears in other In the meantime, the terms nf trade with the outside world, deteriorated. One new truck now costs Mozambique the equivalent of 13 tons of cotton, compared to five tons at indecategories came to a further \$53m, forcing the government to begin rescheduling negoti-

ations earlier this year. The first step towards resolvving the economic crisis, say If this was not enough, the country has suffered from inter-mittent droughts and flood, culofficials, was-to secure peace bence the pact with South Africa, under which Pretoria will cease support for the MNR in return for an end to the military activities in Mozambique of the banned African National Congress (ANC) which had used the country as a springboard for incursions into the republic. The benefits have yet to

emerge. The security position itself will get worse before it gets . pect."

better, say army officers, for the MNR stepped up its infil-tration of men and supplies in the weeks leading to the pact. Their predictions are being borne out — earlier this month MNR rebels mostand a truth

MNR rebels mortared a truck on the main road from Maputo to the South African border, and sabotaged power supplies to the capital.

But on the economic front, say officials, there is substantial ogress.

We discovered that it we provided £50,000 worth of spare parts," said one visiting chair-man nf a detergent company, "we could revive a factory worth ten times that amount."

A South African freight company is discussing investment in Maputo port: "We will provide equipment such as fork-lift trucks in return for rebates on our South Africa traffic," says one director. "For the first time in years our Maputo office could make a profit."

The same company may instal bulk maize dischargers at the port, on the same terms, wblch would allow Maputo to handle half a million of the the terms for the stories they tell start from the terms for the terms they tell start from 4m tons of maize South Africa must import this year.

In bis office at the Central Bank Mr Ratilal extols the virtues of the pact: stability in a region where would-be inves-tors bave been frightened off. A revised investment code is being drawn up, be says, and lists opportunities in coal and other minerals, agriculture and fisberies: "We will allow com-panies to retain a portion of their product as a way of re-paying investment."

The enthusiasm is infectious, but difficulties lie ahead. Gov-ernment officials expect the MNR in intensify its activities in the months ahead, particularly around Mapino.

A second concern is Mozam-bique's high expectations. "They overestimale the appeal of Mozambique to Western businessmen," said one diplo-mat. "Tiny Rowland jetted in, committed Lonrbo to agricultural ventures, and continued on his African rounds, But there aren't many Tiny Row

lands in the West. "The infrastructure is poor skills are scarce, and the cur-rency is massively overvalued," he continued. "The irony may well be that investors will see the pact as making South Africa itself a more attractive pros-

WHAT DO the following phenomena bave in common? The only way to get a drink in a City pub at lunchtime is by elbowing and jostling the other patrons while screaming at the barman. Japan buys robots from Italy and cameras from Hong Kong, but bauks at increasing its imports of Florida oranges. Mr Arthur Scargili

appears to be winning the hearts and minds of Britain's coal miners. Britain has the highest ownership of video recorders

and home computers in Europe. French farmers produce the world's most delicate and subtle food, but think nothing of driving their pigs and cattle into the Elysee Palace. More people

under 40 in Europe are killed and disabled by falling off ladders than by any single natural disease. The Thatcher Government is reforming Britain's system of corporate taxation. technological progress.

an everyday observation which must have struck every British traveller in Japan, the U.S. or Germany. These countries, whose high-productivity manuployment system. This is where the table comes

whose mgn-productivity manu-facturing industries are the envy of Britain's businessmen have pockets of inefficiency and over-manning which would win a hallowed place in the custom and practice of Britain's most Luddite unions. The examples abound, most

obviously in the Japanese and European countryside, where lone peasant farmers and fishermen still earn their simple livelihoods using tools and traditions inherited from their grandfalhers. But even in the most modern cities of America's sunbelt, a visit to the supermarket reveals an army of teen-age boys employed solely to pack and carry shopping bags for customers. A drive inlo the petrol station evokes memories of a bygone era, as buman atten-dants amble oul 10 man the

petrol pumps, instead of dis-embodied voices croaking instructions through londspeakers for self-service. An attempt to use the banking system in the U.S. yields a less agreeable es-perience-most banks are still not capable, for example, of making regular payment for their personal customers by computerised direct debit. Could it be, the perplexed

By Anatole Kaletsky traveller begins to wonder, that per cent of the labour force Britain is not so inefficient after all? Maybe the real difference between Britain and its economically more successful rivals. lies simply in where the in-efficiency is located.

Where The Jobs Are

Think of the wenches

who served Falstaff

Most of Britain's overman ning is in manufacturing, which is a misfortune for several rea-For example, inefficient manufacturers produce no agreeable spinoffs, such as pic-turesque fisbing villages, cour-

Is Britain not so inefficient

after all? teous shop assistants or bome-made salamis. They also en-danger a country's balance of payments and its capacity for

So could a country actually be better off deliberately preserving corners of inefficiency outside the manufacturing sectnr? Thus, surplus workers could be kept out of barm's way, without being a total charge on taxpayers through the unem-

in. It shows a very crude index of overmanning (+) or under-manning (-) in the three basic seclors-agriculture, manufac-turing and the rest-for the world's seven largest econo-mies. Each number is simply the difference between the per-centage of the labour force who work in the sector and the per-centage of national value added

which these workers produce. For example, Britain's manu-facturing sector employed 23 per cent of the civilian labour force in 1981, but contributed only 20 per cent to national value added, giving an over-manning index of +8 for British manufacturing. Japan's other" sector employed 65

Ag Ma Otl

and contributed 66 per cent to value added; so Japan's "O' entry shows a figure of -1. A glance at the table imme-dialely shows the anomalous positions of Britain and Japan

-with exceptional overman-ning and exceptional leanners respectively in the manufacturng sectors. Like the continental countries, Japan hoards its surplus labour in agriculture.

17

But in Europe, this agricul-tural overmanning is not balanced by exceptional effi-ciency in manufacturing; instead of keeping their manu-facturing industries lean the facturing industries lean, the Europeans including Britain, economise on labour in the nonmanufacturing and service sec-

The solution to our nuzzle should now be obvions. If British pubs employed waiters, the whole economy would bene-fit (and anyone who thinks that self-service boozing is a time-honoured Brinsb tradition sbould think back to Falstaff and bis serving wenches). The Government's tax measures are supposed to encourage just this kind of labour-intensive restructuring of the economy. The interested reader should

now have no difficulty connecting the other phenomena in the first paragraph, particularly bearing in mind the following clue. An even more effective way of achieving the Government's employment aims might have been to devalue sterling and cut national insurance further. This would have made British manufacturing more profitable (hence increasing its added value relative to employment); discouraged consump-tion of cheap manufactured im-ports such as video recorders; and lowered the relative cost of Britisb labour. That, in turn, would have stifled the jobdestroying and physically dangerous craze for do-it-yourself house repairs.

With 1 Disk Drive

With 2 Disk Drives

AN INDEX OF MANNING LEVELS

	U.S.	Japan (Sermany	France	UK	Italy	Canada
riculture	+1	+7	+3	+5	+1	+8	+2
nnfacturing	-1	-6	0	0	+\$	-2	+4
hers	0	-1	-3	-5	-9	-6	-6
	_	_			_	-	

not come down very signifi-cantly if metering were uni-versal. Meters would have to be Letters to the Editor N installed in many older properties whose plumbing is - not suitable, and where costs are inevitably high. Even now, meter maintenance, renewal Sir,—I agree with Philip shown great reluctance to take my part of a well known multi-Bassett's interpretation of the action that may jeopardise their national as early as 1975, I effects in the area incentive redundancy pay of the oppor- would suggest a simple explanaand reading costs of £12 per



A Multipurpose Workstation



effects of the area incentive scheme upon miner's attitudes (April 17). However, he omits to mention serious problems with the bonus which, I believe, sbould be made public.

Incentives and

miners' pay

From Mr J. Winterton

University of Bradford

First, the incentive scheme has degenerated. The original scheme was proportional; in-creased effort was rewarded with proportional increases in bonus. Bonus payments have not been adjusted in line with basic pay so the scheme has become regressive; a 25 per cent increase in effort is now re-warded with a bonus representing less than 20 per cent of standard earnings.

The average weekly bonus pay for face workers in 1983 was £40.96; it would have been £56.40 had the scheme not degenerated. High earners, like some in the Nottinghamshire area, would have earned an-other £25 per week nver the

past year. Second, the range of miners' earnings is greater than the plus or minus 18 per cent of average pay which Philip Bassett found between areas. A recent study of the bonus payments in Yorkshire revealed differences in weekly bonus carnings of up to £67 within each of the four Yorkshire areas, and over the whole coal-field bonuses ranged from £15 to £103.

This represents a range of +36 per cent to -15 per cent on the national average earnings for 1983. One consequence ings for 1983. One consequence is that surface workers at a bigb productivity pit like Roy-ston Drlft (Barnsley) receive more in bonus pay than face i workers at neighbonring pits like South Kirkby and Kinsley Drift

Moreover, local variations such as the "Kellingley option" negotiated at most North Yorknegotiated at most North York-shire pits have made the scheme very complex. The de-generation of the bonus and growing inequities between effort and reward suggest the need for a Court of Inquiry into the disordealy new structures of

the disorderly pay structures of the Nationel Coal Board. Third, while the bonus ob-viously fragments bargaining and impairs the solidarity necessary for a strike over a national pay claim, it is wrong to assume a straightforward relationship between bonus earnings and "readiness to take industrial

action." North Yorkshire's highest earners at Kellingley consis tently vote lo support industrial action, whereas those at the bottom nf the area earnings lcague from Savile are usually as moderale as the Nottinghamsbire miners.

Men at Glassboughton, which the NCB intends to close before management accounts of all reserves are exhausted, have kinds, and CCA accounts for

DCY PAJ tunity to transfer to Selby. The boous is an important factor in the differences between South Wales and Nottinghamshire, but Yorkshire experience suggests that the quality of pit leader-

ship is even more important. Jonathan Winterton. Working Environment Research respect Group, University of Bradford School of Industrial Technology.

Bradford, West Yorks.

Unlisted securities market

From Mr S. H. J. A. Knott Sir,-I read Mr Dawkin'a article (April 14) with consider-able interest. The full entry of the merchant banks into the economic standards. unlisted securities market must be welcomed. It gives the cusomer a much wider choice and it improves the marketability of

USM issues. The choice between a merchant bank and a broker is never easy, but there are three good reasons why brokers should continue to have a major role in the USM market. 1. Specialised Research. is important to relate a new company to the total market in

which it operates. The research experience of many brokers goes back for 20 years nr more and this is a service which the cumstances I expect all parties to continue "ducking the issue. But it is interesting to nota merchant banks cannot provide; 2. Cost. The typical cost of a broker USM issua is about half thet of a merchant bank. that industrial managers have to face the problem. My ex-perience, in buying commodities on the international market, is that if they are It is important that costs in an issue abould be reasonable in

relation to the amount of money raised. Expenses in excess of 10 per cent are not to be encouraged;

3. Aftermarket. Where broker sponsors an issue there is a better chance of a reasonable aftermarket. With the current developments in the capital market there is a danger of less liquidity being availabla to maintain a market in a USM company. It is important that company. It is important that a sponsoring broker should see that there is a facility for an investor who wants to buy or portsmouth, Hants. sell 1.000 shares.

Competition between stock brokers and merchant banks is a healthy phenomenon. S. H. J. A. Knott.

Greene and Co., 36/38 New Broad Street, EC2.

Accounting for inflation From Mr R. W. Weston

Sir,-With some experience of producing statutory and management accounts of all

Based on experience of 36 Gledh universal metering, costs would Leeds 8.

Danger of a tax

Authority

on toilets and taps

year are not high compared with those in gas and electrition for the lack of agreement city. but customers do not tend to save much water if they are on inflation accounting. First, I should say thet CCA metered. Water savings are generally worth only 16 a year accounts are not difficult to or less and universal metering

although not "accurate" in a mathematical sense they are not significantly different from is a bad buy. Water authorities are right, therefore, in social equity and in economics, in their current historical records in this policies of permitting metering Any set of accounts has to be read in the light of the convenat e customer's own expense where they feel manifestly overcharged (a typical example would be an elderly couple livtions used when producing them, and this is recognised by the need for the notes to the ing in a large highly-rated house); and of considering accounts produced on e historical cost basis. enforcement only for the small minority of heavy peak-period users, such as those who insist In a period of inflation, CCA accounts usually show less profit than historical accounts, on being able to use a fixed garden sprinkler at any time and where this occurs the CCA result is the more realistic by

of the day or night. For the rest (e large majority), it is much more economic to continue charging CCA accounting therefore has the disadvantages that: general acceptance would imply on property valuation, either the present RV or new valuamoral acceptance by the Revenue for corporation tax tions when they are introduced. In a temperate climate unipurposes; directors judged on results could find that historical versal metering makes little cost profits were CCA losses; and sbarebolders could find economic or practical sense, and for most people we should be wary of drifting towards it dividends reduced or elimi-nated on the same basis. from our simpler and more effective property-based charges for potential for water use. It seems to me that the above considerations provide most of the reason for the continued refuge in interminable ergu-

J. E. Thackray. Assistant Director of Finance ment rather than acceptance of CCA in principle. In these cir-(Economic Strategies ond Charging). Seven Trent Water

Authority, 2297, Coventry Road, Sheldon, Birmingham.

Balance of parties

on interim GLC From Mr Richard Hainsworth

Sir,-The Government's in-tention in the Local Governresold only at a price that makes a profit on the historical ment (Interim Provisions) Bill that nominations to the interim GLC and Metropolitan County price, tha cycle can only be continued (in an inflationary continued (in an inflationary period) by either borrowing to make up tha deficit or gradually running down the size of the business. This prob-lem can be avolded by selling on a "replacement cost" basis, and in so doing one is effect-ively recognising CCA prin-ciples! P W Waston Councils should reflect as far as possible the balance of parties on the nominating authority should be welcomed as a tiny step on a long march to proportional representation (PR) in Britain. But I bope the Government

will set down an equitable formula for tha proportional share-out of seats on the pro-posed new authorities. Many majority parties on local councils bave scant regard to the rights of minorities in the share-out of committee places,

share-out of committee places, or seats on joint boards. Without clearly defined rules the scope for frustrating the spirit of proportionality is wide. Sbould the Alilance parties count as one or two? Should allied parties be allowed to aggregate or split their numbers on e council at their con-venience? From Seven Trent Water Sir,-I read David Kinners-ley's well-phrased article (April 11) with considerable interest and some sympathy, but having been intimately concerned with these issues for 10 years I can say thet he has got one im-portant element wrong. venience?

Richard Hainsworth 36 Gledhow Wood Grove,

1

FREE Software Total Value £859⁸⁰ With EVICE Model 12 Manada

microcomputer. It's a stand-alone multi-purpose workstation that combines high power with low cost. It has the storage capacity and expandability that make it the right computer for countless applications, and for both small businesses and departmental use in large businesses.

Program Development. We offer a choice of languages in meet your specific requirements. in addition to Model 12 Interpretive BASIC, we have Compiler BASIC, FORTRAN, Assembler and COBOL

Assistant. Model 12 can help you with planning and forecasting, word processing, electronic filing and more. It lets you do jobs too "hot" for shared computer time or too small for cost-effective handling by your company's mainframe.

Easy Expansion. Model 12 can be used with a variety of peripherals. Add hard disk or floppy disk drives, a printer, plotter, digitizer, modern and more

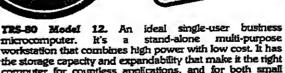
plete Documentation. Includes a comprehensive reference manual and e diskette that contains Model 12 BASIC and TRSDOS operating systems. 1-Disk Model 12. 26-£2399.00 2-Dist Model 12, 26-4005 £2999.00

Plus This Software Absolutely FREE!

SCRIPSIT Word manuscripts can 1	Processing. Letters, be written and edited rig	the on the video	
dime laws			
VisiCale Enhanced	f. Has a wide variety of ag	plications - from work to sales	
projections.		g. Price £249.95	Send For
Profile Plus. Allow	ws anithmetic operations	between fields -	Bedge S
28-4515	s of 53 characters each.	g. Price £249.95	Name
num Madel II/17 Th	A package which can be a SDOS languages to mod	TV SOUTCE LOUE.	D
15 1 L		1.1.1.1.1.1.1	

1	Over 350 Stores
	and Dealerships Nationwide!

Send For Further Information to: puter Marketing, Tandy Corporation (Branch URO, Tarneway Tower, Bridge Street, Walsall, West Midlands, WS1 ILA	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1
	194
fress	
	ŧ,
t Code	Parts.



18



FINANCIAL TIMES

Tuesday April 24 1984



J.

ior prof

Stu

10]

han

.

223.3

 $X_{i} = \{i_{i}\}_{i \in I}$

2010

-

 $M \leq 1$

Э

M

 A_{2}

<u>.</u>

100

Terry Byland on Wall Street Tobacco's top two puff on

TRADING reports last week on the first quarter of the year from Philip Morris and R. J. Reynolds Industries, the two giants of the U.S. to-bacco industry, indicate that ciga-rettes remain a thriving business no matter what the haoit may be doing to the customers.

Morris, which now holds the largest stake in the domestic market through the success of its Marlboro. Benson & Hedges and Virginia Slims brands, strengthened its grip with a further increase in market share in the first quarter.

It still takes the bulk of its profits from tobacco-related sales - about 85 per cent at the operatiog level in 1983. The Miller Brewing subsidlary, still the second largest brewer in the U.S., turned in flat revenues for the three months after bearing the brunt of heavy promotional expenses for Meister Brau, which is aimed at the highly competitive popular-priced beer market.

The same renewed vigour in tobacco trading is shown in the results from Reynolds, which is now firmly in second place with its Salem, Camel and other brands holding just under a third of the U.S. market.

After seeing tobacco earnings fall for most of last year, Reynolds bas now reported a jump of 23 per cent to S256m in tobacco profits for the quarter. Reynolds does not separate its U.S. segment from its overall tobacco results, but a generally stagnant level of tobacco revenues sug-gests that the group benefited chief-ly from higher prices within the

In its trading report, Morris conity firms that unit volume sales in the domestic tobacco industry were flat during the quarter.

Overall, both groups disappointed Wall Street. An increase of 10.3 per ceot in net earnings at Morris and of 4.4 per cent at Reynolds fell short of the best forecasts from the analysts. A similar shadow of disapproval bad greeted the final results for fiscal 1983.

The share prices have in both cases followed the market trend downward since the beginning of the year, with Morris faring rather Nakasone bids for wider appeal

JAPANESE PREMIER TURNS FOCUS TO DOMESTIC ISSUES

BY JUREK MARTIN, FAR EAST EDITOR, IN TOKYO

MR YASUHIRO NAKASONE, Ja- his standing inside the ruling Libpan's Prime Minister, bas decided eral Democratic Party would be ento concentrate on domestic affairs hanced by playing the role of interafter the London economic summit national statesman. But it is apparent that the party faithful, who in June, in an attempt to bolster bis chances of retaining his position. This is the clear retionale behind must choose a new president by No-vember, are much more concerned announcements that be bas decided about domestic issues.

to cancel two planned foreign trips Thus Mr Nakasone's intent is to - staying on in Europe immediately after the summit and to Australasia trengthen his own hand by shepherding though parliament in the in late July. The official explanation is that the need to extend the current ses-

months abead such bread-and-but-ter items of domestic legislation as privatising the telecommunications sion of the Diet (Japanese parliamonopoly, establishing and adviso-ry council on educational reform ment) by perbaps as much as two months until well into the summer and revising the national bealth inprecludes his absence from Tokyo. surance law. Any Japanese minister normally re-quires the Diet's permission to leave the country while it is sitting.

The lessons of last December'a general election, when Mr Naka-However, this formality could sone's disguisitions on foreign polieasily bave been circumvented if cy failed to impress the country, Mr Nakasone bad concluded that suggest be has taken the safest po-

litical course. However, there have been mutterings from the Foreign Ministry that the Prime Minister is being somewhat derelict in his national duties. This is probably not unconnected with the fact thet Mr Shintaro Abe, the Foreign Minister, is one of Mr Nakasone's principal

month.

rivals for the party leadership. Two other developments over the weekend may also work to Mr Nak-asone's political advantage. The first is the announcement that later this week the LDP and the Democratic Socialists, the fourth largest

party, will hold talks on a possible coalition. Similar negotiations with Komeito, the third largest party, are tentatively scheduled for next

If the centre parties can be seduced away from the alternative attraction of a centre-left grouping, beld out by the Socialists, then Mr

Nakasone is likely to get some in tra-party credit. The second development was the decision of the LDP hierarchy to

stick with, in principle, the modified primary system of electing a presi-The Bundesbank has for years dent. Although this does not mean a primary will actually take place in November, it is probable that Mr Nakasone stands a better chance of doing well in a ballot of the 1.4m registered LDP members than in closed-doors borse-trading by Diet members. This is largely because about half

the party rank and file has been recruited by the faction beholden to itself. former Prime Minister Tanaka, who still appears inclined to sup-port Mr Nakasone for another twoyear term; especially now that Mr Susum: Nikado, his lieutenant, has been named LDP vice-presi-

been quietly grumbling about the parlous state of West German balance sheets and the failure of domestic stock markets to furnish risk capital. In its latest monthly report, published today, the central bank carries its analysis Into the public domain and exonerates neither the banks, the investing institutions nor the corporate sector

Ironically, the Bundesbank study appears at a time when the primary market for equities in West Germany seems to be awaking from its slumbers. Deutsche Bank is cur-rently raising DM 565m through a rights issue, Hoechst announced last week that it was seeking DM 500m of fresh capital and Porsche has just pulled off a remarkably successful offer for sale, raising DM as long-term investments, or by for-

The banks themselves are close which are permitted to put over a quarter of their investment re-sources into domestic equities, have to finalising plans for a second tier equity market, designed to tempt more companies into public owner-ship, and venture capital has sudaveraged an equity weighting of on-ly 8 to 7 per cent in recent years. denly become the most fashionable topic of conversation in Frankfurt's banking parlours. Yet the recent activity, while wel-Risk capital

Similarly, the envisaged stock market reform is hardly a giant come, does nothing to undermine the central bank's case. German leap for risk capital. The German banks have deflected suggestions chemical companies and commer cial banks have always stood out as that a brand new market should be unusually heavy takers of equity capital; Porsche, meanwhile has created along the lines of Britain's Unlisted Securities Market and indriven up to the gates of the Frankstead are pressing ahead with plans furt Stock Exchange, not out of any to ginger up an existing second tier recognition of the virtues of equity market. Companies will in future be capital, but because of a falling out required to provide more regular among the controlling family sharetrading information, in addition to a holders. Nixdorf, the fast growing rough prospectus prior to the issue, computer company, is planning to float 20 per cent of its equity within but the vetting and induction of new listed companies will remain firmly in the hands of the banks. the next couple of months, although here again there is little evidence of a change of philosophy. Nixdorf has been discussing an offer for sale with Deutsche Bank since 1978. the German financial system, it would perhaps be unreasonable to And, if the recent fuss over Reuters the last recession has cruelly exis any guide neither company would be exactly welcome in Lon-don. In each instance investors are being offered only non-voting prefrence stock

The Government is currently reviewing the fiscal disincentives to equity ownership, but it is highly unlikely that tax reform alone will

y perceptible.

THE LEX COLUMN

West German equity

in the kindergarten

197274 76

rs: Insurance companies

ratios look perilously high. Moreover, since corporate taxes com-monly absorb between 55 and 60 per cent of domestic profits, the scope for reshaping balance sheets through retentions is very limited.

The Japanese corporate sector, confronted with a similar dilemma has so far proved far more success-ful than its German counterpart in shifting the balance away from de funding and towards equity. While Germany has had to contend with a variety of local obstacles to equity funding, there is little doubt that the active competition between hanks and somutities houses in Tokyp for corporate funding has encouraged the shift. In Frankfurt, by contrast, the banks have enjoyed a restrictive monopoly in the provi-sion of both equity and debt fithe non-financial corporate sector,

Buil market

Equities have admittedly been competing with a Government bond market which, besides being large and liquid, has consistently offered real yields of over 2% per cent. Yet, even in the recent equity bull mar-ket, bitle of the running has been made by domestic investors. Wella the German hair care company which was successfully floated last year, 'reported recently that, although a comforting 13 per cent of its non-institutional shareholders were German housewives, over half the listed equity had passed into foreign hands.

Yet at the root of Germany's equity malaise lies the reluctance of companies to seek external finance. Accustomed to complete privacy in financial matters, most are reluc-Given the traditional rigidity of tant even to publish trading information, with all the attendant publicity, let alone to see control pass expect more dramatic change. But into the hands of outside sharehold ers.

not have the under capitalisation of In this approach the banks have German industry and the mesent been, to say the least, willing part-bull market, which has seen the ners. Until now, they have on the FAZ index rise by almost 50 per whole been unwilling to see profit-cent since the beginning of 1983, of able credit finance replaced by eqfers an excellent opportunity to re-vitalise the notion of equity capital. fluential role on company boards di-The Bundesbank's study finds, minished by the presence of outside

not surprisingly, that the incidence investors. Moreover, since a poor would reflect badly on the reputation of a company's sponsoring dends, was dropped in 1977, the im-pact on new issue volume was bare-recession. A highly geared balance dictated that a company remain private. This attitude now seems slowly to be on the wane. But the hanks still have a responsibility to ensure tors to put their money into equi- economy adjusts to the prospect of that the present new issue wave ties. Well over 50 per cent of Ger- more modest growth and more vola- represents more than a brief, bull

UK coal chief 'willing to bend on timing of pit closures'

BY JOHN LLOYD, INDUSTRIAL EDITOR, IN LONDON

FIRST SIGNS of concession in the ly to the compromise last night -British coal mining dispute have come from the National Coal Board but did not dismiss it out of hand. "I would want to know details." be NCB) which - like the National said Union of Mineworkers (NUM) - had These may emerge from a meetappeared to have set its face ing tomorrow of the Coal Industry against any negotiation on its clo-

sure programme, Mr Ian MacGregor, the NCB brings together the three mining unions. The NUM has informed the chairman, told the two mine manboard that it will not attend that agement unions at a meeting of the meeting, either - though there are joint policy advisory committee last week that be would be prepared to consider pbasing his programme – involving 20,000 redundancies and bopes in the NCB that news of the board's softer position might lead them to attend. A further extension of the dis-

plant.

the loss of some 4m tonnes of capacpute, now in its seventh week, is - over a longer period than the likely to threaten the future of at 12 months originally specified. Mr least two of the British Steel Cor-MacGregor put no limit on what that period might be. poration's five integrated steel plants, NUM officials are now con-

The board has not yet informed the NUM of this potentially significant concession. It did not attend last week's meeting and one of the unions asked for details to be kept secret until it has put the concession to its executive committee later this week.

Mr MacGregor insisted, however, was getting into Scunthorpe and that it would be "taking action." Mr Ray Hill, chairman of the Nabional that the numbers of men to go and the capacity to be cut must remain the same. Some management union officials believe that if the time lim-Midlands district said, "if we have it were stretched out, many of these problems arising from the cuts could be tackled. Mr Peter Heathfield, the NUM's general secretary, reacted cautious-

Gandhi bids to

exploit split

Continued from Page 1

ring to Pakistan and the U.S. Senior

government officials, bowever, do

not regard interference by Pakistan

as a major priority of immediate concern even though they reject as-

surances by the Pakistan Govern-

ment that it has no wish or reason

to try to destabilise either the Pun-

Mrs Gandhi described the situa-tion in the Punjab as "grim and ex-plosive" reflecting a dramatic in-

crease in ministerial anxiety and

concern since the militant Sikh's

agitation took a new turn just over

In a manner uncharacteristic of

South Asia, which is accustomed to

volatile, unruly and bloody disturb

ances, the extremists for the first

time sent assassination squads to

eliminate key figures in carefully planned, cold-blooded attacks. They

started with two politicians and a

leading Delhi-based Sikh moderate.

Later in one day they attacked 39

small countryside railway stations,

again acting in a more planned and

A former Indian Army major-

general, Shubegh Singh, a Sikh

who was cashiered a few years ago,

en Temple at Amritsar aided by

some other disenchanted ex-army

 °C
 °F

 S
 17
 627

 S
 18
 64

 S
 25
 77

 Formac
 13
 55

 S
 32
 90
 Bereve

 S
 35
 95
 Gorantar

 S
 35
 95
 Gorantar

 S
 16
 61
 Incorbit

 S
 17
 63
 Generony

 F
 19
 65
 Hotcaltar

 S
 15
 61
 Incorbatar

 S
 16
 61
 Incorbatar

 S
 16
 61
 Incorbatar

 S
 16
 61
 Incorbatar

 S
 16
 61
 Incorbatar

 S
 18
 61
 Incorbatar

 S
 17
 53
 Jab org

 S
 17
 53
 Jab org

 S
 17
 Jaborg
 Lare Falorite

 C
 18
 84
 Linden</t

Lisse Listen Locarce Locarce Locarce Locarce Locarce Locarce

World Weather

direct way than is usual.

officers.

in Punjab

jab or India.

three weeks ago.

some of a 65,000 tonne shipment of higb grade coking coal which will arrive on a UK-registered ship to-day. An earlier shipment on the Liberian registered Hastings bad been blacked by dockers, whose union the Theorem and Goncerl National Committee, which also union, the Transport and General Workers', has threatened a national dock strike if any dockers are laid off for refusing to load or unload coal

However, local union officials fear that the token pickets outside the Hunterston terminal in Ayrshire where the coke is unloaded will be stepped up this week, threatening the future carriage of coal from the terminal to the plant.

The success of the NUM's call to all miners to strike will be tested tosidering whether or not to continue day and tomorrow in Nottingham, the dispensation which has allowed the largest of the Midlands areas 16,000 tonnes of coal from South which have so far resisted pressure Yorkshire pits to keep minimum production going at the Scunthorpe for a strike. A total of seven of the county's 25 pits open after the Eas-ter break today, with the bulk re-opening on Wednesday. The NUM said yesterday that twice the amount of coal intended

centrated in the

Heavy picketing is expected, but some branch officials have already said that they will cross picket lines Union of Blastfurnacemen's North as usual. Some 5,000 police are con-

first-quarter earnings to \$594m,

or \$2.03 a share, from \$399m, or

\$1.36, in the comparable 1983

Earnings **up 34%** at Sears Roebuck

By Our New York Staff

SEARS ROEBUCK, largest U.S. general merchandiser, which also has financial services operations announced a rise of 34 per cent m profits in the first quarter of the year. Net earnings advanced from \$159.5m or 45 cents a share to \$213.8m or 60 cents. Sales increased

by 12 per cent to \$8.37bn. The earnings announced for the first quarter are in line with market predictions. For the whole of fiscal 1983, Sears inrned in net earnings of \$1.3bn, or \$3.80 a share, on sales of \$36bn.

Mr Edward Telling, chairman and chief executive, believes 1984 will be "good for the economy, for consumers and for Sears."

Most of the increase in first-quarter income came from the merchandise divisions, he said. The Dean Witter financial services group saw a drastic fall in earnings from \$39.2m to \$1.5m, reflecting reduced

forse than the Dow Jones ind al average as investors bave shied away from the tightening competition for Miller and for Seven-up.

The question for both groups remains whether tobacco earning: are as deeply threatened by medi-cal, social and legislative disapproval as seems probable, and how effectively the two are facing this problem.

The move by Morris into the brewing field depends beavily on its ability to win in a very competitive arena, where costs can be high, especially where new products are involved - thus the tensions over Meister Brau. An additional tripwire could be the growing criticism in the U.S. of alcohol use, which could bring in its trial the advertising and sales inhibitions which have hit the tobacco lobby in the past decade.

Diversification at Reynolds has taken it into the food and beverage area where Del Monte, the fruit canner, as well as Kentucky Fried Chicken, Canada Dry and other brand names, seem to be delivering the goods. Earnings from food and beverages jumped by 17 per cent to \$256m in the first quarter.

The final net earnings total at Reynolds is distorted by the announced intention to sell off its Sea-Land transport division, which is carried in the quarterly reports as a discontinued operation. Net earnings from continuing operations show a gain of 14 per cent at \$185m, and thus outpace progress at Mor-

Moreover, the projected spin-off to shareholders is regarded on Wall Street as a bullisb move. Sea-Land fits ill with Reynolds's successful diversification into the profitable food and beverage industries. for corruption, is alleged by officials to be training terrorists in the Gold-

A fall of only 9 per cent in the Reynolds stock price since January, against nearly 14 per cent for Morris, may be a signal from the stock market. Both remain on healthy earnings multiples of 8 for Rey-nolds and 9 for Morris, compared with 7.4 for the Dow average, but Reynolds may now have the edge. There are recurrent suggestions in the market that Reynolds bas Aminoil oil and gas exploration di-vision. Aminoil looks like another Agens misfit in the Reynolds portfollo vision. Aminoil looks like another misfit in the Reynolds portfolio and doubtless contributed to the 40 per cent drop to \$47m in earnings from other businesses. The possibility that Amiooil will be shed must be seen as another bull point for Rey-nolds stock. nolds stock. In the immediate term, Morris

Bendesen Beussels Bostapost 8 Aires stock bas two strong props. The group bas an outstanding dividend for the 17th consecutive year, and it Cano Cape Town will benefit from any weakness in Careces Casaliance Cogenicapio Corte the dollar, but Reynolds may be the one to watch.

try to the pits. no continuity of coal supplies then lay-offs of the workforce (of 6,800) The NCB will launch an advertis become a virtual certainty.

BY WILLIAM HALL IN NEW YORK

INTERNATIONAL oil companies,

which operate a large part of the world's oil tanker fleet, are worried

that the they may be more vulner-

able to big suits for damages for oil

pollution after last week's ruling by a U.S. judge against the Standard Oil Company (Indiana), owner of

Standard of Indiana bad argued before the U.S. court that under the

international convention for oil pol-

lution damage, only the vessel's owner, Amoco Transport - a Liberi-an company headquartered in Ber-muda - was liable for the costs of

cleaning up the oil spill off Brittany in 1978, and its liability was limited

However, in a ruling, the U.S.

judge said that the overall parent, Standard Oil (Indiana), was "re-

sponsible for the tortious acts of its

This means that Standard Oil is

liable to the French claimants for damages resulting from the ground-

ing of the Amoco Cadiz, and has not

Standard said last week that

based on various U.S. and Euro-

pean estimates, it believed its liabil-

ity would be no higher than \$150m. Maritime attorneys, however, be-lieve this is on the low side, al-

though they do not believe the claims could run as high as the

 *C
 *F

 C
 17
 63
 Sathway

 F
 19
 66
 Secol

 S
 37
 55
 Singapore

 S
 27
 51
 Stackholm

 S
 21
 79
 Strackowy

 C
 7
 45
 Sathway

 C
 14
 57
 Teasothe

 C
 14
 57
 Teasothe

 F
 20
 56
 Toroway

 F
 13
 55
 Tuass

 S
 13
 55
 Tuass

 S

Vienez Vienez Vienez Vienez Vienez

F 19

S2bn being suggested.

wholly owned subsidiaries."

been able to limit its liability.

the Amoco Cadiz

to \$17m.

ing campaign from today in provin The Ravenscraig steel plant in cial and national papers to per Scotland is likely to receive at least suade miners to continue working

period

be liable.

Cadiz cargo.

Dome's debt resche

Page 20

hy

Big oil groups fear

retail securities bus er costs. But Allstate Insurance pushed

earnings ahead from \$135.7m to 5143.5m and Goldwell Banker Real

Estate also had a successful quarter, turning in \$24.5m against \$2.6m a year ago.

Charter Co. costly pollution suits seeks debt protection Standard Oil (Indiana) lifted

By Our New York Staff

THE CHARTER Company, the Florida-based oil refining and insurance group which has been fac-ing mounting financial problems, has filed for protection under Chap-ter 11 of the U.S. bankruptcy code.

co Cadiz. This provides them with tax advantages and until now, also helped to provide protection in the event of major marine casualties when only the offshore company,

of these forms of tax-deferred savings, and after its demise Charter inherited the market leadership. tion to coverage for the loss of the

> mounted Charter has suffered a sharp increase in the volume of re demptions of its annuities, while sales have fallen away. Last year Charter's insurance operations which make their money almost en tirely from single premium de-ferred annuities, contributed over

operations.

talks in Washington last week, offi-cials expressed some optimism group's financial flexibility.

Many major oil companies op-erating international tanker fleets own them through offshore companies as was the case with the Amo-The group says its decision was precipitated by a sharp reduction in trade credit at its big oil refining op-

erations. The parent company and only a quarter of its almost 200 subsidiaries are cited in the Chapter II filing . The group's insurance oper-ations are not filing for protection and, according to insurance indus-try regulators, are continuing to op-

As the adverse publicity has

70 per cent more of group profits. The financial problems of its insurance operations have coincided with serious financial problems at its refining and oil marketing oper-ations. With Charter's problems in

make are wagers.

been used to finance the refining To raise money the group last

And, if you win, the profits you make are free of all tax. creasing, suppliers began to with-draw the trade credit which had because the transactions you

> You can make just as much money betting the markets will

Believe it or not, a lot of

the stock markets last year.

without so much as buying a

share, or paying tax on their

We're IG Index, a highly

to us you can bet on the future

movements of the UK and US

specialised bookmaker.

stock markets.

prices, too.)

They did it by betting with us.

Through a simple phone call

(You can bet on the move-

ments of all commodity futures

profits.

When much the most significant without access to public capital was very much higher than the average barrier, the double taxation of diviy perceptible. sheet structure might have been ap-Far more important is the deep-propriate during the years of heady seated reluctance of German invespost-war growth but, as the German man equities are owned either by tile corporate earnings, debt equity market phenomenon.

> Can you make money on the stock markets without paying tax?

You bet you can!

go down as you can betting people made a lot of money on they'll go up.

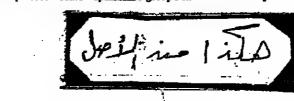
> If it sounds simple, it's because it is.

In fact, we bet you won't find an easier way of making money on the stock markets anywhere.

To find out more, simply complete the coupon below.

To: W.F. Elsy, IG Index Limi 9/11 Grosvenor Gardens, London SW1W 0BD. Tel: 01	
Please send me full details services.	
Name	<u> </u>
Address	
	IG .
Tel (daysime)	INDEX

Published by The Financial Thnes (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damar, Frankfurt/Mar R.A.F. McGean, M.C. Gorman, D.R.P. Palmer, London, as members of the Board of Directors, Printer: Frankfurter Sc kerel GmbH, Frankfurt/Main. Besponsible editor: C.R.P. Smith. Frankfurt/Main. © The Financial Times Ltd. 1984. akfort/Main, F. Barkey



Japan finance reform 'alive' **Continued from Page 1**

been "heated" discussions on whether or not to exempt Euroyen bonds from the 20 per cent Japanese withholding tax and that the U.S. demand that foreign banks be permitted to handle Japanese pension fund business was "still very strong".

Stewart Fleming adds from Washington: U.S. officials still hope they will be able to agree on a joint statement with Japan on opening up Japan'a capital markets by the middle of next month. Following

week put its insurance operations up for sale. Although no price has been mentioned, analysis fear that a loss on the sale of the insurance group could further limit the

and not the parent was thought to Mr Jerry Smith, general-secre-tary of the Liberian Shipowners' Council, said "The decision will bave to be looked at very carefully erate normally. shipowners throughout the world, particularly American. It could have significant implications

for owners and the insurance indus-Standard Oil insured the Amoco Cadiz through Dradnats, a wholly owned subsidiary whose function was to see to the insurance needs of the Standard group. Standard said on Friday that it carried pollution liability insurance of \$50m in addi-

Charter, which had revenues of \$5.7bn and operating profits of \$164.9m in 1983, blames many of its problems on the recent adverse problems on the recent acverse publicity about single premium de-ferred annuity sales (a form of fax shelter), which followed the col-lapse of Baldwin United last year. Baldwin was the biggest marketer



SECTION II & III – COMPANIES AND MARKETS FINANCIAL TIMES Tuesday April 24 1984



19

Study finds need for international bank crisis agency

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON

crisis point to the need for an intercrisis point to the need for an inter-national lender of last resort (ILLR) international finance; go a stage further by arguing that the anthori-- some official agency with very ties could use access to ILLR as a deep pockets prepared to step in and save the world from financial appropriate lending' to speed reso-collapse? If so, how clearly can its lution of the LDC debt crisis. role be defined without giving bank-ers the idea that they can throw prudence to the winds?

1

irte:

Authorities in the leading indus-trialised countries have long been against the idea, mainly because of this "moral hazard," Bank supervi-ior discipling hy supervising bank-

terances about last-resort lending dures for the provision of tempo-rary liquidity. But they were satisfied that means are available for doubtful loans, although at a loss, that purpose and will be used if and when necessary."

An attack on that position has been made in a new paper from the Institute of Development Studies, Sussex, which says that, far from fostering discipline in the markets, not more, stable.

vidual countries, which means they round the globe.

"Current arrangements, based on general uncertainty and attempted ex-post coordination of international lender of last resort in cases of distress, are dangerously insufficient," it says,

ħ

But the anthors, who are known 1984

A. 18.

DOES THE international banking for their radical views on matters of

That would include getting banks Make better use of information.

sors also prefer to maintain bank-ing discipline by supervising banks but leaving them responsible for The Basic Committee of interna-tional bank supervisors takes that view, and has confined its public ut-tarsmost about leaving the paper deals with the moral bank using ILR: penal rates of interest and good collateral. The to this delphic statement 10 years ago: The governors recognised that it would not be practical to lay down in advance detailed rules and proceoriginal borrower. - Banks would thus be relieved of

and the borrowers could renego-tiate their loans on better terms. Hand in hand with ILLR, there would have to be much tighter banking supervision to cut out "free Sussex, which says that, far from riders and keep the costs of operat-fostering discipline in the markets, ing it to a minimum. In the give and the Committee's line merely adds take of relations between banks uncertainty and makes them less, and supervisors, bankers would be much readier to accept closer con-Moreover, what lender-of-last- trol in return for more explicit resort facilities do exist are in the hands of national agencies in indi-vidual countries, which means they ward to ease the LDC crisis, the could never cope with the problems Sussex group's looks attractive, but of large international banks whose it is hard to see the key players - in. tentacles reach into markets all this case central banks and bankers

themselves - accepting it. International lenders of last resort are changes required? By D Stephany Griffith-Jones and Prof Martin Lipton, Institute of Development Studies, Sus-sez. An occasional paper in interna-tional trade and finance published by Midland Bank International, March

Demand reappears for low-risk Eurobonds

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

"EASTER'S getting just like Christ- trend of short term interest rates. mas without the bonus, moaned Six month Eurodollar deposits \$500m convertible issue for Texaco, one investment banker last week. But that was on Tuesday when the Eurobond market seemed to have ground to a halt ahead of the fell quite sharply at the start of the tible on record, it was still not long weekend holiday. On Wednes- week and then traded quietly enough to satisfy all investor delong weekend holiday. On Wednesday the atmosphere changed draaround their lower levels ahead of matically with the launch of no less the holiday break. What last week's developments than \$900m worth of new paper in

the dollar sector in a single day. To everybody's surprise the bonds were pretty well absorbed in a market that had until then appeared almost wholly unresponsive. This is not to say that the Euro-bond market has by any means banker. On Wednesday it got a of about 1 point from their par issue shaken off its worries about the taste of what it was looking for.

The star performer was the new edged even higher last week, clos-ing % point up at 11% per cent in the secondary market bond prices Though that was the largest convermand

The new deal was launched as a "bonght" issue by Credit Suisse First Boston, a process which can do suggest, however, is that there is First Boston, a process which can potentially strong investor demand leave the lead manager with seri-for some types of issue, even if it is ous beadaches if the market turns now highly selective. The market against the issue. But the gamble is simply not quite as dead as some paid off and on Thursday the bonds

Hungary rejoins World **Bank for financing**

BY OUR EUROMARKETS CORRESPONDENT

It is planning to raise a total of \$285m and ¥23bn (\$192.8m) to fi-nance projects in its industrial and petroleum sectors designed to boost exports and reduce energy demand. As with last year's co-financing, the World Bank is expected to lend market about 15 per cent of the total sought in both the dollar and yen tranches.

Pricing details of the new cofinancing deal remain to be agreed, but it is already generating considerable interest in the banking com-

HUNGARY is to return to the Eu-romarkets shortly for its second portant test of the World Bank's for Hungary was increased to major co-financing with the World Bank. S150m bankers acceptance facility portant test of the World Bank's for Hungary was increased to new co-financing scheme last year, \$210m because of strong demand. Competition for new business in soon underlines the way in which this new mechanism bas gained the credit market continues, however, to force banks to improve the market acceptance. Another recent terms on offer to borrowers. Large co-financing, the \$175m loan for new loans expected for both Malay-Colombia's electricity board FEN, sia and Denmark are expected to closed syndications last week with appear shortly on very low margins, more than \$70m raised from the while the \$100m standby facility for

Gaz de France, launched ten days The new deal also confirms Hun-gary's growing international credit-worthiness. With a general short-ed 5230m from the market by the age of lending opportunities, banks are increasingly turning towards stantial increase despite its long 12-Eastern Europe again. The recent year maturity.

	Amount R.	Maturity	Av. iita ysacs	Coupon %	Price	Lead Manager	Offer yield	Borrowers	Amount m.	Maturity	Av. Efe years	Conpon 1/a	Price	Lead Manager	Offer yield
LS. DOLLARS		10.00	1.00			COLUMN TON LAS		SWISS FRANCS					_		
npon Synthetic Robber 11	30	1883	ß	74	100	Yanaichi Ind., IBJ Intl., BHF-BK		Tashiha "St	100	1989	-	13/4	100	CS CS	1.75
and int. 1	. 38	1985	6	734	100	Nomira Inti.	7.750	Sumitorno Realty 5	85	1989	-	2	180	CS	
tanitama Corps. 5‡	70	1995	16	2%	100	Daiws Eur., Schroder Wagg,		Ninsubishi Mining	30	1689	-	53/4		CS	
						Sumitono Fie.	2.875	Takasago Thermel Eng." \$1	20	1989	-	13/4	100	Niko (Switz.) Fin.	1.75
nanca št	500	1994	16	113/4	180	CSF8, Goldman Sachs, SBCI,		Taio Peper Mtg. **	36	1086	-	5%	100	SBC	5.87
						UBS Secs., Deutsche Monura		Japan Deut. Bank "1	150	1989	-	51/4	100	cs	5.25
mine it						Ind., Mgn. Stanley	11.750	Bay, Feropes ***	40 58	1889 1988	-	51/4	180	CS NBS	5.25
Stabankan #1	50	1994	10	54	100	Samuel Montage	-		58	1089	-	21/2	100		
ankers Trust † (b) \$	289	1995	12	Ya	100	Bankers Tst. Ind., CEF, CSFB.		Koito lätg. 5 World Bank	150	1992	-	240	100	Citicorp Bk. (Switz)	
Badd Bark dealadd	450	1000			400	Leisman Bres.	-	Canada	200	1092	-			UBS	5.75
land Bank t(c) tt:	150	1989	5	1/2	108	First Boston Corps.	-	California	200	1032	-			200	5.25
. Savings & Loan ‡	100	1988	3	121/4	160	Selomon Bros., Bear Stearns, CSFB	12.258	STERLING							
www.Bankt	189	1996		12%	30%		12,258	Air Canada 1	40	1994	16	11%	100	CC Marking County Db	
	194	1330		12.90	33.44	Salaraon Bros., Kyowa Bk. Ned.,	12.937	WE CECEDE 1	40	1934	10	1194	100	SG Warburg, County Bk., Wood Gundy	11.25
						Mgn. Stanley	12.937							wood Gundy	11.23
		-						EURDERS		1.1.1					
MARKS								Denmark ** 1	100	1991	7	81/2	991/4	Amro Bank	8.54
altin Inds. St						441									_
ATS ***	80 58	1998 1961	1	3	100	West LB BHF-Bask	3.800	ECUS							
	180	1901	7	8	\$8% 180		8.145 7.500	町	35	1992	B	ß	109	Bque. Indosuez, Ahu Dhabi Invst.	
REC ‡	100	1234	10	142	180	Deutsche Bank	1,500	•						Co., Daiwa Eur., Krediothank Lux.	
				_	100									Postipankki	10.57
WISS FRANCS								YEN							_
lount isa Fin. 1	100	1994	-	5%	180	185	5.750	World Bank 1	20bn	1994	18	7	995%	Nikko Sees.	7.05
Ave Steel ***	38	1\$89	-	134	108	UB5	1.750	Mige, Bk, of Denmark 1	15bn	1694	6	7.A	66.75	Danya Secs.	7.57
The Toye Bearing **5	120	1989		13/4	100	SBC	1.756	CHP "1	560	1061	6A	8	09.75	Daina Secs.	8.20
mbakimutu Seitu **51	40	1989	-	1-24	100	1085	1,750	Trinidad & Tobero "1	5 ba	1691	6.4	8	66.50	Normera Secs., Bk, of Tokyo,	
mikewa Electric **51	190	1989	-	14	100	38C	1,756	the stand of the s				-		Tokal Bk.	8.25
nina st	100	1992		2	180	5	2,000	EIB ±	20hn	1094	9	7.3	99.65	Nikko Sees.	7.48
transe at	100	1997	-			<u>ده</u>	2.000								

NEW ISSUE

These Notes having been sold, this announcement appears as a matter of record only.

MARCH 1984

U.S. \$100,000,000

U.S.\$10,000,000

PK Christiania Finance B.V.

Guaranteed Floating Rate Notes Due 1996

Guaranteed on a subordinated basis as to payment of principal and interest by

PK Christiania Bank (UK) Limited

MORGAN GUARANTY LTD BANK OF HELSINKI LTD. MITSUBISHI TRUST & BANKING CORPORATION (EUROPE) S.A. SUMITOMO TRUST INTERNATIONAL LIMITED

BANQUE NORDEUROPE S.A. SAUDI INTERNATIONAL BANK

April 12, 1984

All of these securities have been sold. This ann ment appears as a matter of record only.

Beneficial Overseas Finance N.V.

12% Guaranteed Notes Due February 1, 1991

Unconditionally guaranteed by

Beneficial Corporation

Credit Suisse First Boston Limited

Amro International Limited Banque Nationale de Paris **Commerzbank Atiengesellschaft** DG BANK Deutsche Genossenschaftsbank **Morgan Stanley International Orion Royal Bank Limited** Syenska Handelsbanken Group Union Bank of Switzerland (Securities)

Banque Bruxelles Lambert S.A. Blyth Eastman Paine Webber International **Credit Lyonnais County Bank Limited** Morgan Gnaranty Ltd Nomura International Limited Salomon Brothers International Limited Swiss Bank Corporation International Westdentsche Landesbank Girozentrale

Bank Cantrade Switzerland (C.L.) rciale Italian me Bank Nederland N.V. Julius Baer International Banca Comm Bank Lee International Ltd. Bank Gutzwiller, Kurz. Be Banque Générale du Luxem TC S.A. mi le Israel Group Paris et des Pays-Bas (Suisse) S.A. Banque Populaire Suisse S.A. Lux Baverische Hypotheken- und Wechsel-Bank Daina Enrope Dai-Ichi Kangvo Inter Crédit du N Compagnie de Banque et d'In Drexel Burnham Lambert Incorporated Den norske Creditbank Full International Fina First Chicago **Easkilde Securities** Effectenbank-Warburg Hambros Bank Lin haftliche Zentralbank AG **IBJ** International E F Hutton and Company (London) Ltd Hill Samuel & Co. Handelsbank N W (Overseas) Ltd LTCB International Lloyds Bank International Kyowa Bank Nederland NV Kidder, Peabody International Mitsubishi Trust & Banking Corporation (Europe) S.A. Manufacturers Hanover The Nikko Securities Co., (Europe) Ltd. Morgan Grenfell & Co. Samuel Montagu & Co. Mitsui Trust Bank (Europe) S.A. Österreichische Länderbank Sal. Oppenheim jr. & Cie. Norddeutsche Landesbaak Nippon European Bank S.A. Saitama Bank (Europe) S.A. Prodential-Bache Securities PK Christiania Bank (UK) Ltd Pierson, Heldring & Pierson N.V. Smith Barney, Harris Uphare & Co. vian Bank Sarasin International Securities Limiter Sanwa Bank (Linderwriters) The Taiyo Nobe Bank (Lexembourg) S.A. Standard Chartered Merchant Bank Société Séguanaise de Banque M. M. Warburg-Brinckmann, Wirtz & Co. Vereins- und Westbank Tokai International Takagin International Bank (Enrope) S.A. Yasuda Trust Europe Yamaichi International (Europe) Wood Gundy Limited Dean Witter Reynolds Overseas Ltd.

io

<u>د م</u> .

SB

Street B

AT STORY

10720 1921 - 2005

PE 14 3

the late :

42.14 6100 1400

e a true B land Petri

T DOTA. 1000 A

4 7 Carl 64 Tatil 1951 -1955

221

ī-

 C_{0q}

Ηgg

San J. j $\mathbf{E}_{\mathbf{a}r}$

 P_{05}

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

U.S. BONDS

20

Investors sit tight as market shows its skittish side

Last week Treasury Bill rates

BOND PRICES sank to new wary of the longer-term fixed lows last week omid continuing rate markets, prefering in buy concern about the fast pace of floating rate securities or stay lows last week omid continuing concern about the fast pace of economie growth, soaring credit sbort. demand, and a growing convicwere virtually unchanged for the second week in a row while the yield on the Treasury long tion that interest rates-and potentially inflation-are besding higher.

In this pessimistic atmosphere most potenlisi retail investors are steering clear of the markets. Those who remain— three months to 30 years has Thus the yield spread from three months to 30 years has widened by 30 basis points in two weeks. This steepening of the Treasury yield curve re-flecta not only investor caution but also technical factors like the Fed'a outright purchase of Treasury Bills early in the week mostly hardened professionalsappear to be taking advantage of any slight pick-up in prices to lighten their portfollos. Underpinning the markets'

extreme skittishness is a feeling extreme skitusnness is a teering the Feda outright purchase of that economic statistics bave Treasury Bills early in the week yet to prove conclusively that and the reduction in the size of the pace of the economic the weekly Treasury Bill auc-recovery is now moderating. thom-made necessary once Among a mixed bag of again by a looming Federal statistics published during the debt ceiling.

U.S. INTEREST RAT		5
	Weak	Weak
	to	to Apr 12
	Apr 19	
Fed lunds weekly everage	10.37	10 12
a-month CO's	10.55	10.37
3-month T-aille	9.70	9.77
Sound Treasury Sound	12.72	12.37
30-year Treesury aond	13 75	13.75
AAA Utility		
AA Industrial	13.63	13.38
Sourca: FT estimates.		
in the weak anding	April	9 M1
rose by \$3bn to \$536 4bi	n.	

four-day Easter week, the Commerce Department produced revised first quarter GNP figures which showed the economy growing at an annual rate of 8.3 per cent, up from the "flash" estimate of 7.2 per cent. While ebout half of the increase can be attributed to the accumulation of business Inventories, such numbers still scare the market. Today deolers will have the chance to match these fears against reality with the publication of the Merch Consumer Price Index,

resigned.

points,

Meantime, other statistics are providing ample evidence of shorply increasing private credit demands. Outstonding shorply increasing private the new issues, Pennsylvanio credit demands. Outstonding Power ond Light sold \$125m of commercial paper grew by o 13j per cent 10-year bonds further \$1.57bn 10 \$203.42bn in the week ending April 11 ond last week the Fed eslimoted that total outstanding debt in the U.S., excluding thot of financial corporations, grew at fin february is on a sold \$150m of five-year on onnuol rate of 12.1 per cent in February is on a sold \$150m of five-year of Terma cold \$100m of 13; pen cent Bank cold \$150m of five-year on onnuol rate of 12.1 per cent in February is on a sold \$100m of 13; pen cent the U.S., excluding thot of financial corporations, grew at on onnuol rate of 12.1 per cent in February is on a second of Terma cold \$100m of 12, pen to on a sold \$100m of five-year in February 10 on averoge of \$5.325bn.

Agoinst this background market participants are increasingly

Dome Petroleum agrees further debt rescheduling

BY BERNARD SIMON IN TORONTO

DOME PETROLEUM, the debtburdened Canadion oil and gas producer, has reached onother conditional agreement with

Conditions for the agreements several large lenders for the rescheduling of debts which total around C\$6bo (\$4.7bn). signed so far include the conclusion of debt rescheduling negotiations with other lender The company signed similar groups by the end of this month, the oigning of formal agreements by the end of June, letters of understanding with two of its eight lender groups lost week, including the largest, and the completion of Dome'o planned equity issue, expected syndicate headed by Citibank. to be for et least C\$350m.

The latest agreement is with Dome's four major Canadian creditors, Royal Bank, Canadion Imperial Bank of Commerce, Bank of Montreal, and Toronto-A Dome official said the lerms of the rescheduling plan are unlikely to be disclosed until all legol formalities are com-Dominion Bank. The company said that unspecified payments of principal have slready been pleted.

pleted. A portion of the four Cana-dian banks' loans to Dome, disposing of assets. made to the banks under the

Inland Steel climbs out of red

Mr Frank Luerssen, the chairman, said that the results were achieved despite sluggish

product prices, and reflected a continuing improvement in tha

company's cost structure. Demand, however, bad con-

tinued to increase, so that plants were operating at oround 80 per

cent of eapacity in the quarter against 71 per cent in the final

three months of last year. The

Norwich division.

BY OUR NEW YORK STAFF

Such factors may continue to play an important role in the AFTER a run of two-and-a-half \$21.2m, against a loss of \$18.5m move up during the present totally unprofitable years, Inland Steel, the fifth largest U.S. steel company, broke back into the black in the first markets over the next two weeks as the Fed grapplea with the impact of April tax receipts Which, according to Salomon quarter of thla year to declare

Brothers, are likely to swell the Treasury balances by \$15bn or more by the end of this month. modest earnings of \$2m. The profits figure, the equiva-lent of 2 cents a share, compares The extreme nervouaness of with a loss of \$19.99m, or \$3 cents a share a year sgo, ond was achieved on aales of \$678.4m against \$669.6m in 1983, Operating profits, before the markets was highlighted last Wednesday when bond prices declined sharply amid a wave of rumours—all denied—the most startling of which was that Paul Volcker, the Fed cheirman, had interest charges, amounted to operating rate has continned to current economic expansion.

Strikingly an investor who purchased Treasury long bonds purchased Treasury long bonds in early January at their peak prices ond held onto them would hove seen his investment slip by o full 10 points. The corporate markets have fared little belter. Last week medium term corporate bond prices fall by 4 points while Changes at **Procter &**

Gamble prices fell by 1 points while tong term issues declined by

• THE PROCTER & CAMBLE CO., has made the following appointments from June 1. Mr Edwin L. Arizt, executive vice-Edwin L. Arizi, executive vice-president, has been elected vice-chairman of the board and president, Procter & Gamble Interoational Mr Arizi will con-tinue to be responsible for all international operations. Mr Thomas Laco, executive vice-president, becomes vice-chair-man of the board. Mr Laco will have broad responsibility for the company's staff as well as responsibility for the pbarma-ceutical and food service pro-ducts operations. Mr John E. Pepper, group vice-president, is made an executive vice-presi-New Issues were generally well received bul prices lost ground in retail trading, Among the new issues, Pennsylvanio notes and First Clly Bancorp of Texas sold \$100m of 12-year Paul Taylor

Pepper, group vice-president, is • Mr Richard A. Brooke has made an executive vice-presi-been oppointed principal finan-dent. Mr Pepper will move to cial officer of the BlOGEN Cincinnati from Brussels, GROUP, the bio-engineering

new rescheduling plan. Its total known as the Dome energy debt to the four Canadiau loan, is guaranteed by Dome banks is CS2.4bn. Mines, in which Dome Petroleum has a 40 per cent interest. Dome Mines said in a separate statement that It bas agreed with Dome Petroleum

month.

and metals group, reduced group losses to FFr 570m (\$70m) last year from a deficit of FFr 642m in 1982. The group, which was in-volved in a series of major and the banks that the maximum amount of its guarantee solven in a series or major asset changes last year, said sales last year totalled FFr 7bn, the same level as in 1982 on a comparable basis. will be reduced from C\$225m to C\$145m If Dome Mines buys C\$70m of Dome Petroleum's

CS10m of Dome Petroleum's forthcoming shore issue, Earlier this month, Dome reported 8 1983 het loss of C\$1bn, against a deficit of C\$369m a year ago. The loss, the largest ever by a Canadian A major reason for the lower deficit was the state rescue for the former finan-cially troubled. Imetal subsi-

cially troubled' Imetal subsi-diary, Societe Le Nickel, the New Caledonian nickel mining concern which has now come ander 70 per cent ownership of the state-owned Erap oil holding company. Imetal formerly beid 50 per cent of the loss making Le Nickel concern.

cent of the loss making Le Nickel concern. Moreover, Imetal said there was a recovery at its Penarroya lead, zine and non-ferrous metal subsidiary as a result of the upturn in the zine market. Penarroya lost FFr 176.6m last year compared with losses of FFr. 384m in 1982. The group also said a re-At 1.32m tons in the first At 1.32m tons in the nist quarter, steel shipments were 23 per cent higher than the 1.07m tons delivered in the same period of last year, but slightly down on the 1.33m in the final quarter of 1983.

384m in 1982. The group also said a re-covery, was taking place at its U.S. Copperweld subsi-diary which lost \$22m. last year. Imetal said sales had recovered strongly in the fourth quarter of 1983 and, the npswing had continued this year. Mr Luersson edded that bookings continued to exceed expec-tations, but warned thal rising interest rates could curtail the this year.

Reduced

deficit

Imetal

By Paul Betts in Paris

IMETAL, the French mining

from

INTERNATIONAL APPOINTMENTS

American Bank & Trust Co, and European American Banking Corpn, Mr Dempsey had been chairmao, president and chief executive officer of Fidelcor, Inc. and its major subsidiary, Fidelity Bank of Philadelphia. He succeeds Mr. Harry E. Ekblom, who left EAB at the end of 1983.

end of 1983. C: NATIONAL: ASSOCIATION OF SECURITIES DEALERS INC. (NASD) bas camed Mr

 INTERNATIONAL APPOINTMENTS
 Belgium, and assume overall responsibility for U.S. consumer overall products business except the Norwich division. Mr Haraid Elasmana, vice-president france, or ice-president france, or ice-pr In June 1979; as vice-president, marketing/underwtiting.

assistant manager at the New marketing/inderwitting.
 York branch.
 Mir Ted H. Hull, vice-president cletted president and chief vice-president of Jim Walter --commercial operations, All- cletted president and chief vice-president of Jim Walter executive Mir Sam F. Segmar to Homes since 1975. the additional post of chairman.
 Mir Helnrich Wirth bas been of the replaces Mir Willis A. Stranss appointed deputy general vice-president, Northbrook Pro- who is retiring on May 1 as manager of ZURICH INSURperty & Casualty Insurance Co., chairman and chief policy ANCE CO., Zurich.

Strong profit gains at BSN and Pernod

BY DAVID HOUSEGO IN PARIS

TWO OF France's largest food division, bowever, made and drinks groups report smaller contribution to net sharply increased profits for profits because of a strike at 1983. BSN, whose interests stretch

Group cash-flow increased from FFr 1.7bn in 1982 to from dairy products to beer, said net earnings rose by 29 per cent to FFc 741m on the FFr 2.1bn last year. The dividend is being raised from FFr 50 to FFr 52 per share. basis of o 13 per cent increase Pernod offset a disappointing

Permod offset a disappointing performance in spirits sales by a 34 per cent increase in non-alcoholic baveraga turnover. The group's overseas sales now account for 29 per cent of total turnover, compared with 25 ther cent last were in turnover to FFr 24.9bn; Pernod Ricard, the spirits and soft drinks group boosted its net profits by 27 per cent to FFr 471m on o alightly in-creased turnover of FFr 7.57bn. BSN experienced strong 25 per cent last year. growth in drinks, groceries and Pernod's dividend remains packaging. The dairy products unchanged at FFr 27 per sbare.

Bahrain offshore group in share swap with affiliate

BY MARY FRINGS IN BAHRAIN

CULF INVESTMENTS (CIC), a S.I.LF. (Holding), a company Bahrain-registered offshore com- registered in the Netherlands' pany which took a \$76m write. Antilles off against its capital last year S.I.I.F. an international off against its capital last year in the aftermath of the Kuwaiti stock market crisis, is seeking to acquire an affiliate company in a share swap with a nominal value of \$64m.

of its directors act for both com-panies. Through S.LLF., CIC GIC is awalting a report from wort from has a 1 per cent interest in anditor SBHU Holdings, the parent Ministry company of the New York ruposal to investment bank Smith Barney an ... independent. ppointed by Bahrain's Ministry of Commerce, on its proposal to investment bank Smith Barney issue 256m new shares par Harris Upham, together with a value 25 U.S. cents) and 2.4 per cent interest through exchange them for shares in another affiliate, Rabia Holding.

investment group, is olready owned 10.5 per cent by GIC, and its general manager and three

bas been elected chairman of AMERICAN NUCLEAR a board member. INSURERS: (ANI). He succeeds Mr Nicholas F. Miller, vice. president and actuary. Actna Life & Casualty, as chairman. Mr John C. Merrison, senior Mr John C. Merrison, senior property casualty group, CIGNA corpn., has been elected vice. chairman. Mr Morrison succeeds Mr Frank, E. Raab. former. and Burk Croup, Mr Hofmann was employed by Crawford & Russell Inc. a subsidiary of John Brown, where he was responsible for sales and business develop-

Hires; who is assuming the role of chairman after baving served as president for the past II

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS Issued Alasts Housing 11's 94 100 Amencan Savings 12 89 125 Australia Cone 111, 90 100 Change on day week Yield Issued Bid Offer

EUROBOND TURNOVER (nominal value in \$m) Euro clear U.S. \$ bond Last week Previous week 7,706.1 12.031.2 Other bonds Last week Previous week 2,311.9 1,928.0 · No informotion available-

chairman. Mr Morrison succeeds Brown, where he was responsion Mr Frank, E. Raab, former. for sales and business develop-president and chief executive ment across the eastern, north officer of Allianz Insurance Co., as vice-chairman. • GAINSCO, INC., U.S. under writer, has appointed Mr Jack L. Johnson senior, vice-president, underwriting. He joined Gainsco tion, He succeeda Mr Thomas L. Hirse: who is assuming the role.



This ennouncement appears as a matter of record only

Michelin Finance (Pays-Bas) B.V.

£60,000,000 **Revolving Acceptance Credit**

Compagnie Financière Michelin

provided by

S.G. Warburg & Co. Ltd.

Banque Paribas (London)

Banque Paribas (London)

Banque Bruxelles Lambert S.A.

The Hongkong and Shanghai Banking Corporation

Crédit du Nord

S.G. Warburg & Co. Ltd.

Amsterdam-Rotterdam Bank N.V.

National Australia Bank

Swiss Bank Corporation

Banco di Sicilia

The Bank of New York

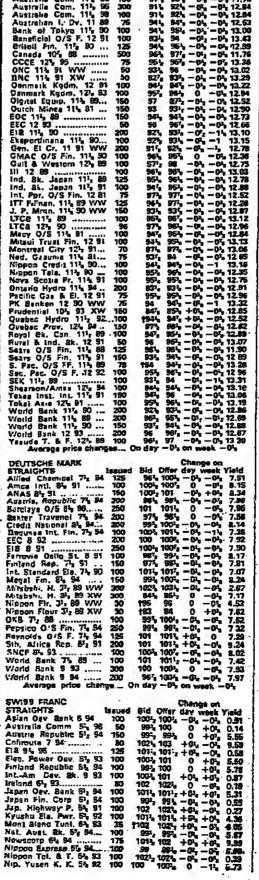
The Mitsui Bank, Limited

Bank of China

Credit Industriel et Commercial

April, 1984

Jel in fild



Change on	Change on
or day week Yield	OKB 53 92
4" -0" -0" 12.72	Outboc Province 5% 93 105 101% 101% .0 +0% 5.40
0 -01 -01 12.05	
84 - 04 - 04 11 70	50c, Lux, Cnl, 51, 53 100 100- 100- 0 -0- 5.56
2's -0's -0's 12.84 2's -0's -0's 12.84	Tohoku El. Pwr. 54 92 100 100 100 1004 +04 +04 5.85
2 -00- 12.84	World Back 5* 84 200 98 .99% -0% -0% 5.87
4" = 0" - 0" 12.63 5" - 0" = 0" 13.00	Average price changes On day 0 on week - 04
4 -01 -01 13.43	YEN STRAIGHTS issuad. Bid Other Gay wook. Yield Asian Dev. 28. 77, 94 15 997, 100 - 01, -03, -7,41 Eurofima 14, 94
600- 12.99	Asian Usy, ax, 71 34 73 38, 100 -01 -01 7,41
7" -04 -04 11.76	Lot Am Ou Sk 77, 93 15 1015 102 -02 -03 7,59
500- 13.36	New Zatland 71, 89
6 -04 -04 12.02	World Beak 7 53
31 - 04 - 04 13.29	Average price changes On day -05 on week -05
43 - D3 - 04 13 22	
64 0 -04 12.94	- Change on
7-2 - 0-2 - 0-4 12.5Z	
$7^{2}_{2} = 0^{4}_{2} = 0^{4}_{3}$ 12.52 $3^{1}_{7} = 0^{3}_{7} = 0^{4}_{3}$ 12.90 $4^{1}_{4} = 0^{4}_{3} = 0^{4}_{3}$ 12.73 $6^{7}_{7} = 0^{3}_{7} = 0^{4}_{3}$ 12.65	CINER STRUCTUS COME DIG OVER CAY WORK THEIR
57 DL = DL 12.65	ar Col. Hyd: 12 93 C3 125 90, 96, -0, +0, 12.90
301L T1 10	8r. Col. Tel. 124 88 C3 . 70 954 964 -04 -04 12.87
3 ¹ - 0 ¹ - 1 ¹ 13.10 3 ¹ - 0 ² - 1 13.15 3 ¹ - 0 ¹ - 1 12.78	Fig 172, 91 CS
2 -0 -1 12.78	Loblau 12- 90 CS 35 195- 95 -04 -04 17.45
5" 0 -0" 12.36 -0" -0" 12.75	Monureal City 42 90 CS 50 1974 974 -04 -07 12 57
-00- 12.75	World Bank 12 80 C\$ 75 196 98-2 -0- 0 12.62
5° -0° -0° 13.03 5° -0° -0° 12.78	EIB 114 96 ECU 50 1984 994 - 04 - 04 11.43
	Royal & Cn 10 89 ECU 89 56% 99% +0% +0% 10.73
500- 12.85 700- 12.52	Amro Bank 2 89 Fi 200 993 995 0 -04 9.15
700- 12.28	Amro Bank 94 86 Pl., 100 103 10312 0 -04 774
35 -03 -04 12.87	Int. Stand Et 20, 28 Et son son tont 0 2.34
$3^{4}_{7} = 0^{4}_{7} = 0^{4}_{7} = 0^{4}_{7} = 12.87$ $5^{7}_{7} = 0^{4}_{7} = 0^{4}_{7} = 13.12$	OTHER STRAIGHTS Issued Bit Offer day week Yield ar Col. Hyd. 12 93 C3 725 Hyd. 96%, -0%, +0%, +0%, 12.90 ar. Col. Tal. 12% BBC 57 955 96%, -0%, -0%, -0%, 12.87 Canadn. 0c. 12% 99 C3 90 196%, 96%, -0%, -0%, 12.87 Lobisus 12% 90 C3
P - - P - 12.96	Rebotent & 88 Flutters 100 . 1035 1045 0 403 7 85
500- 12.84	OK8 14 85 FFT
3 - 01 - 05 13 13	Ochvay e1 C. 144 66 FFr 200 1015 1025 005 13.44
$P_{4} = 0^{4} = 0^{4} = 13.06$ $1^{4} = 0^{4} = 0^{4} = 12.65$ $1^{5} = 0^{4} = -1$ 73.15	OK8 14 85 FF 400 1001, 101, -0, -0, 13.02 Octway et C. 144 86 FF 200 101, 102, 0, -0, 13.02 Octway et C. 144 86 FF 200 101, 102, 0, -0, 13.02 Charles Structure 50 100, 101, -0, -0, 11.21 Charles Gaigy Int. 57 83 f 25 99, 101 - 0, -0, -0, 11.21
-04 -1 12 15	Ciba-Gaigy Int. 84, 93 2 25 994, 101 - 04, - 04, 6.71
A -04 -04 12.35	Ciba-Gaigy Int. 8% 93 £ 25 99% 101 - 0% - 0% 121 Commerzbank 11% 90 E 25 100 100% - 0% - 0% 11.41 Centextk 10% 85 £ 50 98% 95% - 0% 11.57 EEC 11% 94 £
Pa - 01 - 01 12.75	FEC 113 94 f
12 - 03 - 03 12 91	EEC 117 93 E
Pi -0' -0' 12.96	EEC 117, \$3 E
P -04 -04 12.96 P -05 -1 13.32 P +03 -04 12.85	Oenmark 102, 89 £ 75 56%, 97%, -0%, -0%, 11.57 EEC 11%, 94 £ 50 38%, 97%, -0%, -0%, 11.57 EEC 11%, 94 £ 50 38%, 97%, -0%, -0%, 11.78 F18, 10%, 92 £ 50 395, 95%, -0%, -0%, 11.78 F18, 10%, 92 £ 50 95 95%, -0%, -0%, 11.78 Finlend Rep. 11%, 88 £ 50 1074, 102%, -0%, -0%, 11.78 IBJ 11%, 96 £ 30 96%, 96%, -0%, -0%, 11.78 III 10%, 93 £ 50 95%, 95%, 0 -0%, 11.78 III 10%, 93 £ 50 98%, 99%, -0%, -0%, 11.39 11.33 INL Stand. E1, 11%, 88 £ 50 98%, 99%, -0%, -0%, 11.32 96%, -0%, -0%, 11.20 SNCF 11%, 94 £ 50 97%, 98%, -0%, -0%, 11.22 96%, -0%, -0%, 11.23 World Bank 10%, 88 £ 100 99%, 100%, -0%, -0%, 11.82 90%, 100%, -0%, -0%, 11.23 World Bank 10%, 93 LuxFr 50 58 40%, -0%, -0%, 11.03 50%, 50%, -0%, -0%, 0 Europare1 10%, 93 LuxFr 600 39%, 100%, -0%, 0 0 10.75
1 +04 -04 12.52	Forsmerks 10's 89 C 40 96 96'2 -0'2 - 0'2 11.15
-04 -04 12.62	15J 114 96 L 30 967 99 - 04 - 04 11.74
0 0- 12.89	Int. Stand H. 117 89 5 50
P04 -04 13.07	BNCF 114 94 E 50 952 971 -01 -77 41 99
1 - 0' - 0' 11.90	World Bank 104 89 C 100 974 98 -04 -07 11 27
-00- 12 89	World Bank 11- 88 C 100 997 100% -04 -04 11.05
	Electrolux 10 59 Luxfr 500 96 83 +0% +0% 10.39 Europarel 10% 93 Luxfr 600 . 99% 100% -0% 0 10.35
-01. 13.31	Europarel 10% 93 LuxFr 600 . 95% 100% -0% 0 10.75
4 -0% -0% 13.1e	
$A_{1} = 0^{A_{1}} = 0^{A_{1}} = 0^{A_{1}} = 12.89$ $A_{2} = 0^{A_{1}} = 0^{A_{1}} = 13.28$ $A_{3} = 0^{A_{3}} = 0^{A_{2}} = 12.96$ $= 0^{A_{1}} = 0^{A_{1}} = 13.31$ $A_{4} = 0^{A_{3}} = 0^{A_{3}} = 13.12$ $= 0^{A_{1}} = 0^{A_{1}} = 13.12$	FLOATING RATE
	NOTES Spread aid Offer C.dte C.con C.yld
A - 0 ² - 0 ³ 12.86	Areb Banking Ga SE
-01, -01, 12.65 -01, -01, 12.65	a81 Int. 5 99
-00- 12.67	Barcieya 0/9 1. 9 2004 04 98 954 2/8 10.56 10.72
-04 -04 12.67 -04 -04 13 30	Barcieya 0/9 1. 9 2004 04, 361, 954, 2/8 10.56 10.72 aFG Fin. 54 96
s on week -0's	Commerzbk. 5. 89 XW 0. 994 99- 21/9 10 10.08
Change on	Creditenetalt Bk. 5 96 01, 981, 981, 23/8. 101, 10.69
e day unak Viald	Unasoner Fin. 54 89 0 384 994 23/5 104 10.33
-0- 7.51	EDF 54 96 04 984 984 23/8 10.56 10.72
0 -0" 8.1S	Ferrovie Steto, 5% 96 0% 98% 95 31/9 10.69 10.91
-0^{1} -0^{1} 7.51 0 -0^{1} 8.15 -0^{1} +0 ¹ 2.34	Commerzbk. 54, 59 XW 0. 994, 994, 21/9 10 10.08 Creditanetalt Bk. 596 04, 984, 994, 22/8 104, 10.69 Orssoner Fin. 54, 89 04, 984, 994, 22/8 104, 10.69 Orssoner Fin. 54, 89 04, 984, 994, 22/8 10.56 10.72 EDF 54, 96
-0-0-7.36 0 -0-7.36 0 -0-7.56	Lioyda Euro. 5 2004 50 96 96 98 18/4 9 5.08
	Mrdland Int. Fin. 0 99 90 961, 961, 8/9 10.56 10.71
0 -0 ⁴ 7.96 0 -0 ⁴ 7.56 -0 ⁴ -0 ⁵ 8.14 -0 ⁴ -1 ¹ 7.26	Mrdland Int. Fin. 0 98., 504 981, 863 874 8/9 10.56 10.71 Mitsui Finance Fa 96., 64 987, 992 1/9 10.56 10.57
-00- 8.14	Mort 2k Oenmark 5 99 10 39 30 10 39 11/2 11 11.04 Neats Oy 5 34
4 - 02 - 03 / 32	Nesta Oy 51, 84
-00- 7.90	Ouches Nyden 54 94 04 960 961 10/7 101 16 00
-04 -04 2.17 -04 -04 7.81	Socreta Gen. 54 94 04 99 99 16/9 10 18 10 TT
0 ¹ 2 - 0 ² 8 7.87	Spain 51, 97
-04 -04 7.07	Sumitomo 51 94 501 983 985 8/0 101 10.28
	Sweden Kodm. 5', 2024 0', 1977, 58', 22/9 11.19 11.42
-01 - 01 2.87 0 -01 7.17 0 -01 4.53	Outbeen Nydro 5-3 54 6-1 56, 569, 599, 19/7 10 11.19 71.40 Socreta Can. 5-4 94 6-1 99 199, 19/7 10-3 10.20 Socreta Can. 5-4 94 6-1 99 199, 15/9 10.18 10.27 Spain 5-4 97
0 -01 4.53	
0 +05 7.87	GONVERTIBLE Criv. Criv. Chg.
-01 -04 7.52	ROC Bwn. Boveri ID. 95 2/14 1/19 1001 2001
+0 0 7.29	Control Calle price Bid Offer day Prem 20C: Swn. Boveri 44, 35 2/84 108, 1991, 1001, 0 -4.41 Oeiwe Sec. Co. 57, 580, 10/08 481.8 11321, 134, +04, -2.39 -24, 23, 23, 23, 23, 23, 23, 23, 23, 23, 23
700- 9.24	Fanue 34 88 1/84 9142 1384 1394 -21 38 -
-00- 8.02	Fujitau 3 99
0 -0 7.62	Nitechr Cable 5's 96 2/82 015 162 153 -34 -4.12
2 -01 -01 7.42 0 -07 7.53 -04 -01 7.97	Nonda Motor 54 38
on week -0"	Konrshirokd Ph. 4 9810/83 878 1021 1034 -14 2 13
	Kyowa Hakko 6 97 2/83 762 131 1325 -14 9.96
Change on	Minebes Co. 5'2 58 0/83 607 113'1 114'1 -0'2 -2.05
day whele Yield	Mitsubishi Heave 45 55 1/55 255 1141 7154 - 04 1.19
day week Yield	Mercaubishir Heavy 41 59 1/56 253 1027 1037 -01 2.40
0 +0. 0.14 1	Kontrahuroka Ph. 4 9810/93 - 373 1024 103414 2.13 Kyotwa Hakko 6. 97
5 0 +0, 5 55)	Nippon Oil Co. 51, 98 4/83 364 1281 1291 -21 -2.57
+V0- 9.59	Nidean Motor 5% 98 4/83 .700 1104 1114 - mt
2 + 0 - 0 - 0.58	Nissan Motor 5' 99 4/83 .700 1104 1114 -04 .8.50 Olympus Opuc. 5' 9712/82 1157 103 105 -1 12.14
0 +0 5,50	Ono Pharm. Co. 34 99 3/84 9480 147 144 - 111 - 10 44
0 +04 5.78	Onehi Lassing 5% 98 6/83 2680 1439 1447 - 34 - 3.39 5scom 5 98
+01 +01 0.87	Yamaichi San Co 0 99 5 4 1 199 2014 - 94 - 2.17
0 -0% 0.18 2+6% +0% 5.31	Yemmonuchi Di 4 00 40400 4040 4044 404
-0-05	Yemenouchi Ph. 4 9010/83 1306 1014 1024 -2 25.79 Nippon Air. 24 94 SwFr 2/84 356 1004 1024 -2 25.79
+04 -04 0.27	Nippen Shin. 2 82 Swfr 3/84 . 801 1002 1012 -01.63
+ - + - 4.36	Setten Por. 24 82 Swfr 4/84 677 1164 1184 - 31 - 3 10
+00-4.05	Atrica 5 92 DM
-0-5.67	Nippon Air, 2% 94 Swift 2/84 354 100% 101% 102% -2 25.79 Nippon Air, 2% 94 Swift 2/84 354 100% 101% -0% -1.53 Nippon Shid. 2 92 Swift 3/84 801 100% 101% -0% 15.50 Setteu Ppr. 2% 82 Swift 4/84 677 114% 118% -3% -2.15 Asics 5 92 DM
+0" +0" 9.99	
-0-0-0.39	O The Financial Times Ltd., 1984. Reproduction in whole
0 11 5 70	or in part in any form not permitted without written

Date supplied by OATASTREAM

previous day's price. † Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units

earlier. FLOATINC RATE NOTES: Denominated in dollars unless otherwise, indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (t three-month; \$ above mean rate) for U.S. dollars. C.cpn = The current conpon. C.yld = The current yield.

compon. C.yld = The current yield. CONVERTIBLE BONDS: De-nominated in dollars unless otherwise indicated. Chg. day= Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share at conversion rate fixed at issue. Prem=Per-centage premlum of the current effective price of acquiring shares via the bond over the most recent price of the sheres. The list shows the 200 latest interoational bonds for which en adequate secondary market exists. The prices over the past week were supplied by: Krediet-bank NV; Credit Comotercial de France; Credit Lyonuais; Com-merzbank AC; Deutsche Bank Girozentrale; Banque Generale dn Luxembourg SA; Banque Internationale Luxembourz; Algemens Bank Nederlond NV; Pierson, Heldring and Plerson; Credit Suisse/Swiss Credit Bonk: Union Bank of Switzerland: Algemens Bank Nederlond NV: Pierson, Heldring and Pierson; Credit Sulsse/Swiss Credit Bonk: Union Bank of Switzerlan1: Akrayd and Smithars: Bank of Tokyo International; Blyth, Eastman, Palne, Webber Inter-national; Chase Manhattan; Citteorp international Bank: Credit Commercial de France (Securities) London; Dsiwa Europs NV; EBC; First Chicago; Coldman Saebs International Corporation; Hambros Bank; IBJ International; Nidder Peabody International; Merrill Lynch; Morgan Stanley International; Nomura International; Orion Royal Bank; Robert Fleoing and Co:; Samuel Montagu and Co.; Scandinavian Bank; Turnbull; Sumitomo Finance International; S. G. Warburg and Co.; Swiss Baak, Corporation foternational; Wood Cundy. Closing prices on April 19

Closing prices on April 19

INTL. COMPANIES & FINANCE

Volker Stevin boosts profits by 40% BY WALTER ELLIS IN AMSTERDAM

54

₽_{€₿}

Qali attau o consta

SALES fell sharply last year at expressed view that "there is the past suffered major losses Volker Stevin, the Dutch con-struction group, but the com-pany still managed a 40 per contractors." It is hopeful of an cent improvement in earnings, increase in the volume of its to Fl 13.7m (\$4.5m). The company expect little Volker Stevin save that noten-the company expects little volume of stars at the end of last year totalled Fl 1.4bn compared

The company expects little Volker Stevin says that poten- totalled Fl 1.4bn, compared market but, in spite of its lessened (the company has in 1982.

SBC continues to show improvement

BY JOHN WICKS IN ZURICH

SWISS BANK Corporation, practically all sectors of activity whose net profits rose by 16.1 per cent last year to SwFr 429m (\$196m), reports a further improvement in earnings for the first quarter of this year. The bank does not disclose quarterly profits but says that business volumes led to better trading.

net interest earnings despite a slight narrowing of margins. dealings. also rose, although there was a slight drop in income from precious metals

North American Quarterly Results

AMERICAN NATURAL Netural gas; trucking	RESCOR		GREAT HORTHERM N Pulp and paper	EKOOSA		SHERWIN-WILLIAMS Palat producer		
First quarter	1984	1983	First quarter	1984	1983	First quarter	1984	198
Revenue	1_1bn	\$75m	Revenue	459.1m	371.7m	Barrowski		
NOT PROFILE	67.Sm	60.9m	Net profits	29.7m	15.2m	Revenue	463.9m	434.7
Net per ellare	2.74	2.52	Net per share	1.14	0.61	Net profits Net per share	4.9m 0.21	22
BANK OF NEW YORK U.S. benk helding on	-		HARRES BANKCORP			SOUTHWEST APILINE Domestic carrier	B	
First quester	1984	1983	First questor	1984	1983	First quarter	1384	1981
Restauro .								
Revenue	25.9m		Aseets	8.35bn	7.42bn	Revenue	125.1m	94.60
Net per shere	1.58	21.5m	Net profits	7.7m	9.1m	Net profits	· 10.2m	5.1c
	1.00	1.40	Net per shere	1.17	1.57	Not per shere	0.35	0,1
BORDEN	-		KAISER CEMENT			SUNDSTRAND		_
Foods, clientical prod	lacts		Seventh Inrgest U.S.	coment m	eker	Nechanicel and hydra	ullo com	onents
Pirst quarter	1984	1985	First quarter	1984	1983	Pirst quarter	1984	1983
Revenue	1.1bn	937.3m	Revenue	51.80	43.8m	Revenue	233.7m	222.80
Net probes	33.9m	22.7m	Net loss	5.6m	174.000	Net profits	12.780	3.47a
Net per shere	1.22	0.78	Net loss per share	0.77	0.02	Not per abore	0,70	0.5
BURLINGTON NORTH			REVLON Connetice, health can			TANDY Electronic products re	staller	
First quarter	1984	1983	First quarter	1984	1983	Third quarter 1	993-84 1	982-84
	° 8				8.	Deserves	S	
Revenue	2.31bn	1.10bn	Revenue	564m	552.9m	Net profite	656.1m	589.9m
Net profile	160.6m	70.5m	Net profile	24.5m	23.7m	Net per shere	6.60	57.An
Net per share	1.90	0.92	Not per share	0.68	0.48	Nine months Revenue	2.14ba	0.50 1.89br
EX-CELL-O			SCH			Net profits	223.4m	204.18
	_	· · · · ·	Coatings, foods, pape	r product		Not per share	2.15	1.96
	963-84 1	982-83	Third questor 1	983-84 1		THICEN	_	_
levesse	268.2m	235.801			8 -	Tepered roller bearing		
let profits	10.8m	1e.7m	Revenue	507.9m	402.2m		40.04	
let per shere	0.76	0.76	Net per share	0.99	2.4m 0.25	First quarter	1984 8 267.5m	1953
			Nine months	1.43be	1.22bn	Net profits	12.9m	214.6m
NT. MINEHALS & CHE			Revenue Net profits	26.80	20.1m	Net per share	1.10	10.4
ertilisers, animal pro			Net per share	2.63	. 2.10	Loss.		0.46
	983-84 1	\$	SCOTT PAPER	-	·	UKON CAMP		
levenue let profits	388.8m	371.6m 21.2m	Paper tissues and tow	rels.		Paper, paperboard		
let per share Mine months	1.00	0,79	Pirat quarter	1984	1983	Piret quarter	1984	1983
evenue	1.07bn	1,02bn		612.8m	567.5m	Revenue	490.6m	3954
let profile	85.8m	67.3m	Net profits	34.2m	19.1m	Net profils	42.2m	26.8m
tot per share					0.41	Net per share	1.73	

Record results for Japanese brokers

By Our Tokyo Staff

JAPAN'S four major securities bouses have returned record parent company turnover and profits for the six months ended March 1984. Nomura Securities lifted earnings by 52 per cent and Daiwa Securities is 80 per cent ahead at the net level. Yamalchi Securities and Nikko Securities have both doubled net profits.

The reporting period for the bouses takes in a big surge in trading volume, notably in January when the Tokyo stock market saw the Nikkel-Dow share index top 10.000 fer the first time.

In the six months daily volume averaged 358m shares, down from 371m shares for down from 371m shares for the preceding half year. But transactions in value reached a record level, thanks to foreign buyi, of high-priced blue chips. Yamaichi Securi-ties' brekerage commissions rose to 66.4 per cent of the total for the whole of the previous year. previous year.

Bond commissions expanded briskly and investment trust commissions increased, mir-roring a steep gain in the net assets of medium-term-government bond funds-

Nomura's half-year turn-over rose to Y203.96bn (\$907m) from Y155.63bn in the same period of the pre-vious year. Recurring profits totalled ¥74.69bn, np 34 per cent, and net profits surged by 52 per cent to Y34bn.

Nikko's recurring profits jumped by 109.3 per cent to Y46.49bn, with net profits of Y17.82bn, np 100 per cent. Daiwa's recurring profits were ¥48.82bn, up 61.4 per cent with net profits up 80 per cent at ¥20.17bn. Yamaichi's 7.4m 0.56 89bn 4.1m 1.96 recurring profits surged by 106.8 per cent to ¥42.76bn, with net profits of ¥16.78bn, np 103.4 per cent.

> Singapore bank up Industrial and Commercial Bank of Singapore reports a group profit, after tax, diminution in assets, transfer to inner reserves, and minority interests, of \$\$23,7m (US\$11.4m) in 1983, up 9 per cent en 1982. Dividend is held at 15 cents a share, AP-DJ reports from Singapore.

> > April, 1984



This announcement appears as a matter of record only

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Issue of

£100,000,000 105 PER CENT. NOTES 1989 At an issue price of 99¹/₄ per cent. with interest payable annually on April 15

Baring Brothers & Co., Limited

Crédit Commercial de France

Dai-Ichi Kangyo International Limited

Dresdner Bank Aktiengesellschaft Effectenbank Warburg Aktiengesellschaft

Deutsche Genossenschaftsbank

Dillon, Read Overseas Corporation Dominion Securities Ames Limited

Skandinaviska Enskilda Llmited

European Banking Company Limited First Chicago Limited Fuji International Finance Limited

Genossenschaftliche Zentralbank AG

Sparkassen Aktiengesellschaft Goldman Sachs International Corp.

Guinness Mahon & Co. Limited

Kidder, Peabody International Limited

Girozentrale und Bank der österreichischen

Creditanstalt-Bankverein

Crédit du Nord Crédit Lyonnais

Enskilda Securities

W. Greenwell & Co.

Hoare Govett Ltd. **IBJ** International Limited

Kitcat & Aitken Kredietbank N.V.

Lazard Frères et Cie

International, Inc.

Grieveson. Grani & Co.

Grindlay Brandis Limited

Kansallis-Osake-Pankki

Lazard Brothers & Co., Ltd.

Lehman Brothers Kuhn Loeb

Manufacturers Hanover Limited

B. Metzler seel. Sohn & Co.

DG Bank

Vienna

Algemene Bank Nederland N.V. **County Bank Limited** Daiwa Europe Limited Hambros Bank Limited Kleinwort, Benson Limited LTCB International Limited Samuel Montagu & Co. Limited Morgan Guaranty Ltd J. Henry Schroder Wagg & Co. Limited Union Bank of Switzerland (Securities) Limited

Alahli Bank of Kuwait (K.S.C.) Al-Mal Group Antro International Limited Astaire & Company

Ltd. Julius Baer International Limited Banca Commerciale Italiana BankAmerica Investment Banking Group Bank Gutzwiller, Kurz, Bungener (Overseas) Limited Bank in Liechtenstein AG Bank Leu International Ltd. Bank Mees & Hope NV The Bank of Bermuda Bank of Tokyo International Limited Bankers Trust International Limited Banque Bruxelles Lambert S.A. Banque Générale du Luxembourg S.A. Banque Internationale à Luxembourg S.A. Banque Louis-Dreyfus en Suisse SA Banque Nationale de Paris Banque de Neuflize, Schlumberger, Mallet Banque Paribas Banque de l'Union Européenne Banque Worms Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft Bayerische Landesbank Girozentrale Bayerische Vereinsbank Aktiengesellschaft Berliner Handels- und Frankfurter Bank Blyth Eastman Paine Webber International Limited Caisse Centrale des Banques Populaires Caisse des Dépòts et Consignations Caisse Nationale de Crédit Agricole Cazenove & Co. Charterhouse Japhet ple Chase Manhattan Capital Markets Group Chase Manhattan Limited Chemical Bank International Group CIBC LIMITED

Group

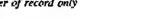
Mitsubishi Finance International Limited Morgan Stanley International The National Bank of Kuwait S.A.K. Nederlandse Credietbank nv New Japan Securities Europe Limited Citicorp Capital Markets Group Conmerzbank Aktiengesellschaft Continental Illinois Capital Markets The Nikko Securities Co., (Europe) Ltd. Nippon Kangyo Kakumaru (Europe) Limited

Barclays Bank Group Credit Suisse First Boston Limited Deutsche Bank Aktiengesellschaft Hill Samuel & Co. Limited Lloyds Bank International Limited Merrill Lynch Capital Markets Morgan Grenfell & Co. Limited **Orion Royal Bank Limited** Société Générale S. G. Warburg & Co. Ltd.

> Nomura International Limited Norddeutsche Landesbank Girozentrale Nordie Bank ple Österreichische Länderbank Aktiengesellschaft Phillips & Drew Pierson, Heldring & Pierson N.V. PK Christiania Bank (UK) Ltd. Postipankki Prudential-Bache Securities Rea Brothers Ple N.M. Rothschild & Sons Limited Rowe & Pitman Salomon Brothers International Limited Sanwa Bank (Underwriters) Limited Sarasin International Securities Limited Saudi International Bank Al-Bank Al-Saudi Al-Alami Limited Scandinavian Bank Limited Simon & Coates Singer & Friedlander Limited Smith Barney, Harris Upham & Co. Incorporated Societé Générale de Banque S.A. Societé Seguanaise de Banque Standard Chartered Merchant Bank Strauss Turnbull & Co. Sumitomo Finance International Sumitomo Trust International Limited Svenska Handelsbanken Group Swiss Bank Corporation International Limited Swiss Volksbank Tbe Taiyo Kobe Bank (Luxembourg) S.A. Union Bank of Finland Ltd. Vereins- und Westbank Aktiengesellschaft Vickers da Costa Ltd. J. Vontobel & Co. Ltd. Wardley Westdeutsche Landesbank Gitozentrale Williams & Glyo's Bank PLC Wood Gundy Limited Yamaichi International (Europe) Limited Yasuda Trust Europe Limited

This announcement oppears as a matter of record only







21

April 1984

Eurosterling Bonds

Market Makers

Reuters Monitor Pages	:	BRGA/BRGB/BRGC/BRGD/BRGE
Telephone—Switchboard	:	01-283 8833
—Direct	:	01-283 3993
Telex	•	883622
Baring	B	rothers & Co., Limited

This announcement appears as a matter of record only



REPUBLIC OF FINLAND

Issue of £50,000,000 11¹/₂PER CENT. LOAN STOCK 2009 At an issue price of 98.043 per cent.

Payable as to £30 per cent. of the nominal amount on application and as to the balance of the issue price by June 26, 1984 with interest payable half yearly on April 15 and October 15

Baring Brothers & Co., Limited

County Bank Limited	
Hill Samuel & Co. Limited	
Samuel Montagu & Co. Limited	
J. Henry Schroder Wagg & Co. Limited	
Bank of Helsinki Ltd.	
Postipankki	

Hambros Bank Limited Kleinwort, Benson Limited Morgan Grenfell & Co. Limited S. G. Warburg & Co. Ltd. Kansallis-Osake-Pankki Union Bank of Finland Ltd.



Crédit Lyonnais

Enskilda Securities

Vienna

Creditanstalt-Bankverein Dai-Ichi Kangyo International Limited DG Bank

Effectenbank Warburg Aktiengesellschaft

European Banking Company Limited First Chicago Limited Fuji International Finance Limited

Genossenschaftliche Zentralbank AG

Goldman Sachs International Corp.

W. Greenwell & Co. Gricveson, Grant & Co.

Grindlay Brandts Limited Guinness Mahon & Co. Limited

Hoare Govett Ltd. IBJ International Limited

Kansallis-Osake-Pankki

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

Deutsche Genossenschaftsbank Dillon, Read Overseas Corporation Dominion Securities Ames Limited

Dresdner Bank Aktiengesellschaft

Skandinaviska Enskilda Linuted

INTER-AMERICAN DEVELOPMENT BANK

Issue of £60,000,000 11³/₈ PER CENT. BONDS 1991 At an issue price of $99\frac{1}{4}$ per cent. with interest payable annually on March 30

Baring Brothers & Co., Limited

S. G. Warburg & Co. Ltd.

Banque Paribas

County Bank Limited

Daiwa Europe Limited

Hambros Bank Limited

Kleinwort, Benson Limited

Merrill Lynch Capital Markets

Morgan Grenfell & Co. Limited

Algemene Bank Nederland N.V. **Barclays Bank Group Credit Suisse First Boston Limited** Deutsche Bank Aktiengesellschaft Hill Samuel & Co. Limited Lloyds Bank International Limited Samuel Montagu & Co. Limited Morgan Guaranty Ltd **Orion Royal Bank Limited** Société Générale de Banque S.A.

Alahli Bank of Kuwait (K.S.C.) Al-Mal Group American Express Bank International Group Amro International Limited Astaire & Company Ltd. Banca Commerciale Italiana Bank America Investment Banking Group Bank Gutzwiller, Kurz, Bungener (Overseas) Limited Bank in Liechtenstein AG Bank Leu International Ltd. Bank Mees & Hope NV Bank of Tokyo International Limited Bankers Trust International Limited Banque Bruxelles Lambert S.A. Banque Générale du Luxembourg S.A. Banque Internationale à Luxembourg S.A. Banque Nationale de Paris Banque de Neuflize, Schlumberger, Mallet Banque de l'Union Européenne Banque Worms Bayerische Vereinsbank Aktiengesellschaft Berliner Handels- und Frankfurter Bank Blyth Eastman Paine Webber International **T** imited Caisse Centrale des Banques Populaires Caisse Nationale de Crédit Agricole Cazenove & Co. Charterhouse Japhet ple Chase Manhattan Capital Markets Group Chase Manhattan Limited Chemical Bank International Group CIBC LIMITED Chicorp Capital Markets Group Commerzbank Aktiengesellschaft Compagnie de Banque et d'Investissements, Continental Illinois Capital Markets Group Crédit Commercial de France Crédit du Nord

.

· · · · · · · ·

Kidder, Peabody International Limited Kitcat & Aitken Kredietbank N.V. Kredietbank S.A. Luxembourgeoise Lazard Brothers & Co., Ltd. Lazard Frères et Cie Lehman Brothers Kuhn Loeb International, Inc. LTCB International Limited Manufacturers Hanover Limited B. Metzler seel. Sohn & Co. Mitsubishi Finance International Limited Morgan Stanley International The National Bank of Kuwait S.A.K. Nederlandse Credietbank nv

New Japan Securities Europe Limited

a second contract of the second second

The Nikko Securities Co., (Europe) Ltd.

Nomura International Limited J. Henry Schroder Wagg & Co. Limited Swiss Bank Corporation International Limited Nippon Kangyo Kakumaru (Europe) Limited Norddeutsche Landesbank Girozentrale Nordie Bank ple Österreichische Landerbank Aktiengesellschaft Phillips & Drew Pierson, Heldring & Pierson N.V. PK Christiania Bank (UK) Ltd. Postipankki Prudential-Bache Securities Rea Brothers Ple N.M. Rothschild & Sons Lintited Rowe & Pitman Salomon Brothers International Limited Sanwa Bank (Underwriters) Limited Sarasin International Securities Limited Scandinavian Bank Limited Singer & Friedlander Limited Smith Barney, Harris Upham & Co. Incorporated Société Générale Société Seguanaise de Banque Standard Chartered Merchant Bank Strauss Turnbull & Co. Sumitomo Finance International Sumitomo Trust International Limited Svenska Handelsbanken Group Swiss Volksbank The Taiyo Kobe Bank (Luxembourg) S.A. Union Bank of Finland Ltd. Union Bank of Switzerland (Securities) Limited Verband Schweizerischer Kantonalbanken Vereins- und Westbank Aktiengesellschaft Vickers da Costa Ltd. M.M. Warburg-Brinckmann, Wirtz & Co. Wardley Wesideutsche Landesbank Girozentrale Williams & Glyn's Bank PLC Wood Gundy Limited Yamaichi International (Europe) Limiteo Yasuda Trust Europe Limited

22

New Issue April 24, 1984

TSUMURA JUNTENDO, INC. Tokyo, Japan

This announcement appears a matter of record only

DM 100,000,000 3%% Deutsche Mark Bonds of 1984/1989 with Warrants attached

to exherribe for shares of Common Stock of

TSUMURA JUNTENDO, INC

Tokyo, Japan

the Bonds unconditionally and irrevocably guaranteed by

THE MITSUBISHI BANK, LIMITED Tokyo, Japan

Issue Price: 100%

DG BANK Deutsche Genossenschaftsbank The Nikko Securities Co., (Europe) Ltd.

Amro International **Deutsche Bank** Robert Fleming & Co., Limited Limited Aktienge ellschaft

Morgan Grenfell & Co., Mitsubishi Finance International Société Générale Limited Limited

> Swiss Bank Corporation International Limited

Abu Dhabi Investment Company Alahli Bank of Kuwait (K.S.C.) Algemene Bank Nederland N.V. Andelsbanken A/S Danebank Arab Banking Corporation (ABC) Julius Baer International Banca Commerciale Italiana Banca del Gottardo Banca della Svizzera Italiana Bank für Gemeinwirtschaft Bank Gutzwiller, Kurz, Bungener (Oversees) Bank Leu International Ltd. BankAmerica Investment Banking Group Banque Arabe et Internationale d'Investissement (B.A.I.I.) Bank J. Vontobel & Co. AG Bank of Tokyo (Deutschiand) Aktiengesellschaft Banque Internationale à Luxembourg S.A. Banque Générale du Luxembourg S.A. Banque Bruxelles Lambert S.A. Banque Indosuez Banque Nationale de Paris Banque Populaire Suisse S.A. Bardays Bank Group Baring Brothers & Co., Baverische Hypotheken- und Wechsel-Benk Luxemboura Raverische Landesbank Gimzentrale Bayerische Vereinsbank B.E.G.Bank Joh. Berenberg, Gossler & Co. Berliner Bank Bankhaus Gebrüder Bethmann Caisse Centrale des Banques Populaires Berliner Handels- und Frankfurter Bank Caisse des Dépôts et Consignations Caisse Nationale de Crédit Agricole Chemical Bank International Group Citicorp Capital Markets Group Credit Suisse First Boston Commerzbank Crédit Commercial de Franze Crédit Lyonnais County Bank DG BANK International S.A. Deutsche Girozentrale Creditanstalt-Bankverein Dau-Ichi Kangyo International Daiwa Europe Limited - Deutsche Kommunalbank -Effectenbank-Warburg Enskilda Securities European Banking Company Genossenschaftliche Zentralbenk AG-Vienna Dresdner Bank Girozentrale und Bank der osterreichischen Sparkassen Goldman Sachs International Corp. Hambros Bank Handelsbank N.W. (Overseas) Ltd. Hessische Landesbank Hill Semuel & Co. Industriebank von Japan (Deutschland) Istituto Bancario San Paolo di Torino Kidder, Peabody International Kuwait Financial Centre S.A.K. Kooijman Effectenkantoor BV, Kredietbank N.V, Kredietbank S.A. Luxembourgeoise Kleinwort, Benson Kuwait Foreign Trading Contracting & Investment Co. (SAK) Kuwart International Investment Co. s.a.k. Kuwait Investment Company (SAK) Bankhaus Hermann Lampe Landesbank Rheinland-Plalz Lazard Brothers & Co., Lehman Brothers Kuhn Loeb Lloyds Bank International Merck, Finck & Co. London & Continental Bankers Bankhaus Marcard & Co. LTCB International Manufacturers Hanover Samuel Montagu & Co. Memil Lynch Capital Markets B. Metzler seel. Sohn & Co. Mitsui Finance International Morgan Guaranty Ltd. Nomura International Limited Morgan Stanley International The Nikko Securities Co., (Deutschland) GmbH Norddeutsche Landesbank Girozentrale Österreichische Länderbank SalOppenheim in & Cie. Orion Royal Bank Rabobank Nederland N.M. Rothschild & Sons Selomon Brothers International J. Henry Schroder Wagg & Co. Société Générale de Banque S.A. Sumilomo Finance International Trinkaus & Burkhardt Union Bank of Switzerland (Securities) Verband Schweizerischer Kantonalbanken Vereins- und Westbank M.M. Warburg-Brinckmann, Wirtz & Co. S.G. Warburg & Co. Ltd. Wood Gundy Limited Yamaichi International (Europe) Wardley Westdeutsche Landesbank Westfalenbank Girozentrale

Financial Times Tuesday April 24 1984

1.10

WALL S

[0]

new

iON

1

1.11

INTL. COMPANIES & FINANCE Companies and Markets

DAL charts Arab investment group course may take Hanomag stake for return to profits

BY JOHN DAVIES IN FRANKFURT

THE WEST GERMAN group gested that Agico might be 2,600 workers and bad just laid which has taken over Hanomag, interested in taking over 50 per the foundation stone for a new part of the ill-fated IBH con-cent or more of Hanomag, but DM 170m (\$64m) factory. Arab interests.

Arao Interests. The Papenburg - Gassmaun group of businessmen emerged as the new controllers of Hanomag after a number of potential buyers engaged in months of wranging over the bankrupt The businessmen now bave

The

begun negotiations with the Arabian General Investment Corporation (Agico) of Dubai, which has been among the companies weighing up Hanomag's

NEW Straits Times, Malaysia's

largest newspaper publishing

group, reports continued strong earnings growth, and announce

plans for a scrip and rights.

For six months ended Febru-

ary 1984, NST, which publishes the nation's largest English-language newspaper and the

financial daily, Business Times, recorded an 18.7 per cent

increase in pre-tax profit to

21.9m ringgit (US\$10.9m). Turnover rose by 11 per cent to 84m ringgit.

Record first

MINNESOTA Mining

quarter at 3M

By William Hall in New York

Manufacturing (3M), the U.S. consumer and industrial goods conglomerate, bad a record first

quarter this year, with net income rising by 11.4 per cent to \$175m or \$1.50 a share.

Mr Lewis Lebr, the chairman,

said the group experienced

double-digit unit volume growth

in both the U.S. and overseas markets. In value terms sales

rose by 10.1 per cent to \$1.97bn.

hit by the strength of the dollar,

there was an "improvement in the tone of economic activity,"

with unit volume rising 13 per

cent,

Overseas, where 3M bas been

issue.

BY WONG SULONG IN KUALA LUMPUR

prospects. The West Germans have sug- mag subsidiary employed about severe blow to the city.

New Straits Times plans rights

51.5m ringgit for expansion. New projects include the estab-

lishnent of a new printing plant oo the east coast of West Malaysia, investing in Faber

part of the initiated first con- cent of more of Handing, but that four (sound) factory, struction equipment concern, is they do not expect the outcome. The Papenburg Gassmann pursuing negotiations about of the negotiations to be clear group includes the brothers possible future involvement of until mid-May at the earliest. Horst and Helmut Gassmann, The Papenburg-Gessmann group includes the brothers Hanomag closed completely at the end of March, but rewbo with their father are involved in the sale of cars and construction equipment. They have been joined by Herr Günter Papenburg, whose opened a fortnight later with. 200 workers on the first shift. Papenburg - Gassmann interests include construction

group plans to build up produc-tion and the number of workers projects, Their takeover of Hanomag over the next few months, but the scale of the operation will and the prospect of foreign partners have raised hopes that depend to a large extent on the company's operations can be whether Arab or other interests whether Arab or other interests built up again in Hanover. also become involved. Hanomag's origins in Hanover When the IBH group col- date back nearly 150 years and

last year when it became clear that its owners—a con-sortium of five banks—would have to set aside considerable funds to cover provisions and write-offs.

of leasing.

By Our Frankfurt Staff

DEUTSCHE Anlagen-Leasing (DAL), the troubled West German leasing concern, aims

to return to profitability in 1986 under a drastically re-oriented strategy.

It plans to give up foreign

operations, apart from a minor. , holding in Austria, and will avoid small-scale business not only in real estate but also in other areas

DAL plunged into a crisis

Three executives departed from DAL, whose affairs now are headed by Professor Hans Wielens. The troubles at DAL also contributed to problems at Westdentsche Landerbank (WestLB), where two executives—including the head of DAL's supervisory board— left the bank's management

As part of its new orientation, DAL is seeking to minimize its risk liability, is streamlining its organis tion and is cutting its stall. Personnel and material costs, which rose from DM 36m in 1977 to DM 130 (\$49m) in 1982, are to be halved in the next two to three years.

DAL expects to operate at a loss this year and next year before reaping the benefits of

to be met by the gronp's bank shareholders are estimated for 1983 at between DM 400m and DM 670m. But final details are not expected to be known for some months. This comes en top of provisions on 1982 results of DM 256m, of which DM 224m had to be met by DAL's owners.

WestLE, with a 30 per cent stake, is DAL's biggest single shareholder, alongside Landes-bank Rheinland-Pfalz (26.6 per cent), Bayerische Landesbank (16.7 per cent), Hessische Landesbank (16.7 per cent) and Dresdner Bank (10 per cent).

Professor Wielens has indicated that DAL's problems arose from its expansion into high-risk areas, foreign business. notably

and the first matter galar

This advertisment complies with the requirements of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland

prodoct range of Fiat Trattori and of its subsidiaries, Laverda and Hesston of the U.S. Selenia, the Italian stateowned maker of radar, missiles and other electronic equipment,

Profit after tax and extra- group, and developing new ordinary items rose by 24 per businesses, notably in informa-cent to 13.4m ringgit, or 58. thon services.

from IDL the French institute for industrial development, and will buy the remaining 25 per.

FFr 200m and a workforce of 350. The deal fills a gap in the

FIAT TRATTORI, the agricultural equipment subsidiary of Flat, is to take over the French. company, Braud, Europe's leading maker of machines for barvesting grapes. The deal is worth FFr 75m (\$9.2m) over

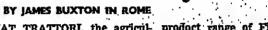
almost trebled profits in 1983, to three years. Fiat Trattori's combine har-vester subsidiary, Laverda, will purchase 75 per cent of Bratid L15bn (\$9m) from L5.7bn in 1982. Sales rose by 22 per cent to L478,5bn, of which 74 per cent were exports. Orders worth

L535bn-were acquired in 1983. The Rome-based company, which is part of the IRI-STET group, invested L75bn in cent in three years' time. Braud, which is based at. Angers, has turnover of about research and development last vear.

Merlin, the botel and property Kuala Lumpur. Fiat Trattori buys French farm machinery maker

The second s

schedule



The performance was interim dividend of 15 cents acbleved on good advertising Meanwhile, its parent bolding revenues and stable newsprint company. Fleet Holding The rights issue, priced at ringgit television project -4.5 ringgit a sbare, would raise some eight months shead of This is Malaysia's first private TV station, and will initially transmit programmes within a radius of 50 kilometres around

its new strategy. The write-offs and provisions



New Zealand

£100,000,000

10[§] per cent. Notes 1989

Issue price 99i per cent.

The following have agreed to subscribe or procure subscribers for the Notes:---

S: G. Warburg & Co. Ltd. **Amro International Limited** Bank of Tokyo International Limited Banque Paribas **Barclays Bank Group Baring Brothers & Co., Limited** Citicorp International Bank Limited **Commerzbank Aktiengesellschaft County Bank Limited** Deutsche Bank Aktiengesellschaft Daiwa Europe Limited **Fuji International Finance Limited** Hambros Bank Limited Hill Samuel & Co. Limited **IBJ** International Limited Kidder, Peabody International Limited Kleinwort, Benson Limited Lloyds Bank International Limited Samuel Montagu & Co. Limited Salomon Brothers International Limited Morgan Grenfell & Co. Limited Bank of New Zealand Swiss Bank Corporation International Limited Development Finance Corporation of New Zealand

The £100,000,000 principal amount of Notes constituting the above issue has been admitted to the Official List of The Stock Exchange of the United Kingdom and the Republic of Ireland, subject only to issue. Interest is payable annually on 27th April, the first such payment being due on 27th April, 1985.

Particulars of the Notes are available from Extel Statistical Services Limited and copies may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted) up to and including 8th May, 1984 from:---

Scrimgeour, Kemp-Gee & Co., 20 Copthall Avenue, London EC2R 7JS

Rowe & Pitman. City-Gate House, 39-45 Finsbury Square, London EC2A IJA

24th April, 1984

This advertisement complies with the requirements of The Stock Exchange	
National Westminster Finance B.V.	
(Incorporated in The Netherlands with limited liability)	
Issue of up to	
U.S. \$500,000,000	
Junior Guaranteed FRNs	
(Floating Rate Notes)	
Guaranteed on a junior subordinated basis as to payment of principal and interest b	ry
National Westminster Bank PLC	1
(Incorporated in England with limited liability)	·
U.S. \$300,000,000 of which are being issued as the Initial Tranch	e
The Issue Price of the Initial Tranche is 100 per cent. of the principal amoun	
The following have agreed to subscribe or procure subscribers for the Notes	
County Bank	-1
Credit Suisse First Boston Morgan Stanley International Orion Royal B	
Lehman Brothers Knim Loeb Merrill Lynch International & Co. Salomon Brothers International International International Internati	onal
S.G. Warbarg & Co. Ltd.	
Bank of Tokyo International Banque Nationale de Paris Banque Par Limited Crédit Lyonnais Girogentrale und Bank des Retermaichiedes e-	
Akingestischen Sparks	
iwiss Bank Corporation International Union Bank of Switzerland (Securit	
Limited Uestdentsche Landesbank	
Sarclays Merchant Bank Limited Commercial de Fra Abiespetitednit Crédit Commercial de Fra	nce 🕴
Dai-Ichi Kangyo International Dominion Securities Ames Fuji International Fina	mce I
Foldman Sochs International Corp. Hambros Bank IBJ Internation	nal 1
Gdden, Peabody International Lloyds Bank International LICB International Linded International Linded	
Limited Limited Corporation (Europe) S.A.	
Limited Limited Limited	- 10 I
Limited Wood Gig	1.193
opplication has been made to the Council of The Stock Exchange for the Notes to be admitted to be Official List, subject to the issue of a temporary Global Note.	
articulars of National Westminster Finance B.V. and the Notes are available from Exter statistical Services Limited, and may be obtained during normal business hours on any week day a and including 8th May, 1984 from:	90
County Bank Limited Cazenove & Co. Stratuss Timesball & 1 Old Broad Street 12 Tokenhouse Yard 3 Moorgate Place andon EC2N IBB London EC2R 7AN London EC2R 6HR	Ca
	13

Financial Times Tuesday April 24 1984 🛛 🕫

WORLD STOCK MARKETS

WALL STREET

1.

1 M

Corporate news helps confidence

THE RESUMPTION of trading after the extended Easter weekend brought a. more confident tone to Wall Street financial markets, as bond prices staged a minor recovery from the falls which had accompanied a sharp upgrading by the U.S. Commarce Department of its gross national product estimate for the first quarter, writes Terry Byland in New Ýork.

The stock market opened with a scattering of small gains, as leaders found some support but were slow to move ahead. Towards midsession the tone turned more mixed.

By 3pm, the Dow Jones industrial average was 5.44 down at 1,152.60.

A fall in the federal funds rate to 9% per cent helped the credit markets regain a little ground but did nothing to change the underlying pessimism in this sector. The expectation that the Federal Reserve may be forced to tighten its grip again was reinforced by the Commerce Department's revised estimate last Thursday that GNP rose by 8.3 per cent. in the first quarter.

Some credit market analysts believe the figure to be slightly suspect, because it reflects a strong huild-up in business inventories. But credit demands from the corporate sector are expected to increase, leading to the predicted clash with the funding of the federal deficit.

The stock market found further support yesterday in the continuing flow of good profits news for the first quarter

from major corporations. The past three weeks have brought good results from the forest products, vehicle, construction and communications industries. This week is the turn of the consumer sector, led yesterday by a sharp rise in earnings at Sears Roebuck.

the world's largest general merchandis-er. It eased 5% to 532%, though. Stocks with losses began to exceed those with gains hut there was no serious weight of selling and the profession-al traders continued to look for a further rally despite the uncertainty over interest rates.

Exxon at \$40%, Burroughs at \$50% and General Electric at \$54% were among those to retain minor gains. AT&T slipped a further \$% to \$15% after adverse comment.

ITT, the telecommunications giant, fell \$1% to \$35% in response to disappointing results, announced just before the Easter break.

On the hanking pitch. Continental Illi-oois remained weak, shedding a further \$% to \$14%. Among the special situa-tions, Carter Hawley Hale added \$% to \$26%

Public Service of New Hampshire, which has a 35.6 per cent stake in the Seabrook nuclear project and has already suspended work on the plant, fell \$1% to \$4 after announcing that it was suspending payments on the construc-tion of Seabrook until the financial probems are solved.

Digital Equipment put on \$1% to \$90% in response to its results, while Texas Instruments \$1% higher at \$139%, was also wanted. Tandy lost \$1% to \$33%. Lack of news of a hid left Walt Disney \$% off at \$60%.

Treasury bonds were helped by a steadier tone in the bond futures market steaner tone in the bond nutures market which led the way downward at the end of last week. The May futures contract jumped ¹%. In the cash market, the key 30-year bond edged higher hy ½ to 94%? but retail support remained extremely thin. There seemed no inclination for prices to rally significantly.

Treasury bill rates also eased hack a shade without any great change in senti-ment. The three-month bill was dis-counted at 9.61 per cent, eight basis points lower, with the six-month at 9.72 per cent, three basis points off.

Stock markets remained closed yesterday throughout Europe, as well as in Australia, Hong Kong and South Africa. An industrial dispute at the FT London has prevented publication of up-to-date London stock and unit trust informa-tion The cloring space of the H State tion. The closing report on Wall Street and updated U.S. market monitors were not available because of industrial ac-tion at the Financial Times' printers in Frankfurt.

TOKYO **Buyers** are

reluctant to reappear

ACTIVITY was extremely slow in Tokyo stocks yesterday, with investors remaining discouraged by this year's largest slide suffered last Thursday, writes Shigeo Nishiwaki of Jiji Press.

Only NEC and some pharmaceuticals were sought.

The Nikkei-Dow market average opened slightly higher on light buying, hut lost ground gradually to close at 10,800,78, off 5.71 from Saturday, on volume of 202.97m shares, the year's third smallest. Declines outpaced advances 351 to 316, with 173 issues unchanged.

Investors remained uneasy, as the index had rallied only slightly on Friday and Saturday after plummeting 149 points last Thursday due to foreign selling and a swelling margin debt. They were also pondering the course of over-seas equity markets following the Eas-

ter holiday. NEC rose Y60 in early trading after a protical report that it had developed an optical semiconductor, but slackened later, ending Y30 higher at Y1,390. Toray climbed Y23 in early trading fol-

lowing a report that the company and Kakeo Pharmaceutical had successfully synthesised a drug effective against cerebral thrombosis and cardiac infarc-

But Toray ended just Y16 higher at Y463, while Kaken soared an initial Y130 but dulled later, finishing at Y1,830, up

Speculative non-ferrous metals be-came popular, with Sumitomo Metal Mining advancing Y40 to Y1,740 and Nip-pon Mining Y22 to Y480.

Regional banks shot up, and securities companies were firm. Among gainers were the Bank of Yokohama, which scored a maximum allowable daily gain of Y90 to Y478; Daiwa Securities, up Y18 to Y613; and Yamaichi Securities, Y20 ahead at Y585.

Buying was prompted by a perception that these issues had remained low relative to city hanks which had climbed late in March. The securities houses re-

leased results later yesterday. Bond prices moved little, dampene by the respite on overseas markets late last week, although city hanks issued small-lot selling and huying orders.

The yield on the barometer 7.5 per cent 10-year government bonds due January 1993 closed unchanged from last week's finish at 7.11 per cent.

SINGAPORE

AN ABSENCE of any forceful huying interest left Singapore losses with a twoto-one lead over advances, but gains among a few component stocks allowed the Straits Times industrial index a 2.82 firmer finish at 995.23.

Supreme Corporation, heading the ac-tives on 819,000 of the total 5.6m shares transacted, added 7 cents to S\$2.08. Banks weakened: disappointment over Industrial and Commercial Bank's results took it 50 cents down at S\$7,

CANADA

INITIAL firmess among Toronto stocks began to be eroded in thin trading, as strength centred on golds and transport issues

A flat Montreal showed slightly better demand for utilities and industrials than for the hanking and paper sectors.

The Ebic banks: effective partners in your financial operations.



Strength. Reliability. Innovation. Experience. Important considerations when you're choosing a bank. Ebic brings together seven such banks. Seven major, European banks with assets of some \$400 billion. Seven banks with over 10,000 branches, subsidiaries, associates and joint ventures throughout the world. Seven banks that have been co-operating internationally for over 20 years.

If you'd like to know more about Ebic and receive a copy of our annual review, just send your business card marked "Information on Ebic" to the Ebic Secretariat, 100 Bd du Souverain, B-1170 Brussels, Belgium.



EUROPE'S MOST EXPERIENCED BANKING GROUP.

COMPANY NOTICES

SWISS BANK CORPORATION OVEDSEAS) SA PANAMA

ELECTRICITY SUPPLY

ABRIDGED PARTICULARS

Application has been made to list the ordinary shares (the "Ordinary Shares") of TR Berkeley Development Capital Limited (the "Company") on the Luxembourg Stock Exchange.

The application list for the Ordinary Shares offered pursuant to the Offer for Subscription will	Republic of Portugal	SWISS BANK CORPORATION	
open at 10 a.m. in London on 24th May, 1984 and may close at any time thereafter.	5 ³ / ₄ % Dollar Bonds 1979/84	(OVERSEAS) LTD., NASSAU	64% 1971/1986 UA 20,000,000 On Aoril 6, 1984, Sands for th amount of UA 1,538,000 have bee drawg for recemption in the prosent
TR Berkeley Development	Notice is hereby given that in accordance with the terms of the General Bond the final redemption due 1st June 1984 will be effected by the drawing at par of all outstanding Bonds. Interest on the Bonds will cease to accrue from the 1st June 1984.	NOTICE TO HOLDERS OF THE 6475 U.S.S CONVERTIBLE BONDS 1900-90 ANO TO HOLDERS OF THE 8476 U.S.S BONDS 1983-93 We refer to the capital increase of Swiss Bank Corporation and the corresponding notice to dwr bond- holders of March 7, 1984. 84% U.S.S Convertible Bonds 1980-90 According to the Zonerstate Ends 1980-90 According to the Zoner the conversion price of U.S.S182. Per Deate Bartis	of a Notary Pablic. The Bonds will be reimbursa coupon No. 14 end following attaches oo and after Juse 11, 1984. The Baywn Bonds are these, NO PET PREVIOUSLY REDEEMED, Jus- cleded is the renzes besinning: et 001 as to 1701 incl. and at 1952 up to 20009 laci. Amoont outstading: UA 2,718,000 Dusstanding drawn Bonds: 7427 152 7nd 7123 7 to 7253 incl 7437 to 7310 incl. 7327 7339 to 7532 incl. 7339 to 7334 incl. 7539
Capital Limited (incorporated with limited liability in Jersey on 17th April, 1984 under the provisions of the Companies (Jersey) Laws, 1861 to 1968)	BLA.I.I. FINANCE COMPANY N.V. US570,000,000 Floating Rate Notes 1982/1989 The rate of laterest applicable to Resolution No. 301************************************	holder: Of March 7, 1984. 84,5 U.S.S. Consettible Bonds 1980-50 According to the 7erms and Con- sitions of the Bonds the commander sitions of the Bonds the commander sitions of the Bonds the commander consoration in the nominal amoust of Swiss trancs. 100 each has been reduced to U.S.S179 Upon coa- versing and allowershop the Stores the principal amount of such Bond and the rincipal amount of such Bonds According the Bind U.S.S Bonds According the Bank Corporation of Str. 285 per Dearer Participation certi- focate of Swiss trancs 1000 each bas been reduced to Str.	to 7584 incl. 7927 7938 to 7648 incl 7977 and 7979 7749 to 7755 incl 7977 and 7819 7992 to 7987 incl 7860 and 7809 7907 7915 7924 th 7828 incl. 10337 10465 and 18465 12924 to 12929 incl. 16015 16006 t6971 and 19972 17074 7720 17808 to 17810 incl. 18208 and 18207 18227 19280 to 18283 incl 19330 18741 and 19742 19100 and 19101 19597. The Trustee FINIM 7RUST S.A. April 20, 1994.
Offer for Subscription of up to 3,000 Ordinary Shares of US\$50 each at a price of US\$50,000 each	The rate of laterest applicable to the iaterest period from Aoril 24 1984 up to October 24 1984 est determined by the reference agant Is 11% per cent per ansum. Namely USS250.70 per aore of USS5.000.	Too each bas been reduced to Str. 200- The esjusted conversion and pur- chase orice are entertive as of April 10. 1984. SWISS BANK CORPORATION SWISS BANK CORPORATION SWISS BANK CORPORATION April 24, 1984 NOTICE OF PREPAYMENT EUROFIMA	NOTICE OF PREPAYMENT EUROFIMA 1515, 1990/1087 U.S.20.000.000 In second action with Para and condition of une aboves working and condition of une aboves working abords, Bonds holders are horeby laformed the Eurofing will prepay on May 30, 194
Applications must each be for a minimum of 20 Ordinary Shares and for a multiple of 5 Ordinary Shares. The	ANNOUNCEMENT Sale of skins of Sacrificial Sheep	12% (1990/1985) U.S.220.000.000 In accordance with paragraph "Pre- payment" of the terms 4.80 constructs of the term 4.80 constructs of the term 4.80 constructs of the term 4.80 constructs before are bereby informed the Ecroform will pre-bay on May 30. 1084 the total amount outstanding of the castioned issue (1.6, U.S.230.000.000]	the total amount outstanding of the captioned issue (1.e. U.S.S20.000.000) The Notes will be sembursed at 100:°5 on and after May 30. 1984 together with accured laterest amount into to U.S.S112.52 per demonination of U.S.S100.000 and to U.S.S10.000 representing 30 aavs of interest for the operiod from April 30. 1984 to May 30, 1984. On en anter May 30. 184 laterest
subscription price is payable in full on application.	"ALHADI" and "AL-ADAHI" at the Al Moaisim model abattoir in Mena	The Notes will be reimburked at 101% on and attar May 30, 1934. The second second second second second 105 to U.S.S107.68 per demonifusion of U.S.S25.000 rearesentic Q.S. Javs of Interest for the period from May 7. 1084 to May 30, 1084. On and after May 30, 1984 interest 0 a sil sale Notes will cease to accrue.	May 30, 1984. On end after May 30, 1984 leterest on said Bonds will ecase to eccrue ras fical Aper KREDIETBANN S.A. Lusembourgeoist April 20, 1084.
Authorised Share Capital Issued and to be Issued US\$ 150,000 3,000 Ordinary Shares of US\$50 each 200 up to 150,000 200 200 Special Shares of US\$1 each up to 150,200 150,200 up to 150,200 up to 150,200 Copies of the Prospectus containing the Offer for Subscription (on the terms of which applications	for the benefit of poor Muslims. The Sacrificial Meat Utilization Committee announces the sale of approximately 200,000 sheepskins skinned by expert butchers at the Moaisim model abattoir set aside at the disposal of the Sacrificial Meat Utilization Committee (for the year 1404H Haj season). Bids should be addressed in closed envelopes to: The Director of the Office for the Mena Development Project P.O. Box 6172, Jeddah Kingdom of Saudi Arabia	The Fincal Agent KREOIETSANK S.A. LUXembourgeolse April 20, 1994. RRAZILIAN EQUITY HOLOINGS 9.A. BEARER SHARE CERTIFICATES Is accordance with the Resolutions Alised at the Edwardingry General Mean In held on 91a Fridrary 1964, and the Interference for temporary receipts, the ew Searer Certificates of U.S.St par value are now anallable. Applications for the new Searer Share Certificates for the Searer Share	O.K. BAZAARS (1920) LIMITEO (Incorporated is the Resuble of South Arrical NOTICE TO So SECOND CUMULATIN PREFERENCE SHAREHOLDERS DIVIDEND NUMBER 97 NOTICE IS HERRING STATE NOTICE IS HERRING STATE NOTICE IS HERRING STATE South Arica, to all holders of 97 Second Cumulativa Preference Cass resistered of Dovincoloriest sheetholder and Incoloriest and Nav 1084. The Usual non-resident sheetholder and 1584. John Strate of Members will be close the Johnschaut and Longen from 5 to 1 May 1984. both dates inclusive. Nor to Durpeas of the about dates inclusive. Nor to Durpeas of the about dates inclusive. Nor to Besistered Officer 60 Stor Strate Fill Samuel Registrars Limited 6 Greencat Hiars.
will be considered), with application forms attached, may be obtained from:- Kleinwort, Benson Limited de Zoete & Bevan	Bids should be submitted not later than the end of working hours on Wednesday, 16th May, 1984, specifying the quantity the bidder can undertake to nurchase at the price listed in the bid.	J. OSAWA & CO. (UK) 1TD. (In Volaatery Ligaidatica) NOTICE IS HEREBY GIVEN that thr Greditors of the above named Company are regained on or before 5 July 1884 to cend their namas and addresses	PERSONAL
20 Fenchurch Street, London EC3P 3DB Kleinwort, Benson (Channel Islands) Limited DO Day 76 Wheth Centure	The purchaser shall be responsible for the immediate removal of the skins from the abattoir at his own expense. A bank guarantee representing I per cent of the	ord Liquidator, ora, by themasives, i	BEOURST. Ann Dometer. 798 Mohawk R. W. Hamilton, Ontaria, Caoada, LO 606, seeks written contact by Mar Terena Ross abra Wempley. Eaglant Circa 1942, daughter of Harry A. Roy Oundas. Ont., Canada.
PO Box 76, Wests Centre, St. Helier, Jersey	value of the bid shall be attached. COMMITTEE SUPERVISING THE SACRIFICIAL MEAT UTILIZATION PROJECT.	prove their asid debts or claims et auch time and elace as shall be e-claded from the beastic of any distribution that before such debts	EDUCATIONAL LEARN GERMAN In Germany, labershy Graab Goarse, for adults throughned the year. drait. Cologna 233671 O write for dealls: euroschale, Guerae michely 21, 500 Kolin 1.

24 Prices at 2pm, April 23	NEW YORK ST	OCK EXCHANGE	E COMPOSITE PI	Financial Times Tuesday . RICES	April 24 1984
HINDER - HE-MAANGAANAA AAAAAAAAAAAAAAAAAAAAAAAAAAAAA	g - KÖKÖTÄTTÄTÄSEK JÄRKENÄTTÄNKÄNNÄNNÄNNÄNNÄNNÄNNÄNNÄNÄNTÄTTÄNKÄTÄTTÄNKÄTTÄNÄÄNKÄTTÄNKÄTTÄNKÄTTÄNKÄTTÄNKÄTTÄNKÄTTÄNKÄTTÄNKÄTTÄNÄÄNKÄTTÄNÄÄNÄNÄNÄN				13 16 15 15 15 15 15 15 15 15 15 15 15 15 15
s.					

 $\mathcal{L}_{\mathcal{L}}$

.

1

----.

.

~ :

Mar and a second second

Financial Times Tuesday April 24 1984	ERICAN STOCK EXCHANGE	25 COMPOSITE PRICES Prices at 2pm, April 23
$ \begin{array}{c} 0.25, 14, 25, 24, 24, 24, 24, 24, 24, 24, 24, 24, 24$	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Ball Interference Interfe
NE	W YORK STOCK EXCHANGE	COMPOSITE PRICES
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	176 b.4.9 3283 330, 322, 325, -1, 334, 269, 1630 192.76 69 4 314, 312, 312, -4, 46, 29 US50.0 1 244 5.58 100 442, 442, 442, -1, 468, 324, Texaco 3.758 2314 440, 337, 40 -1, 334, 225, US50.0 1 .58 1.5.8 61 377, 377, 377, -7, 454, 239, 7548.0 1.52.3911 109 334, 364, 364, -1, 157, 158 US50. pf .68 3.2.7 62 185, 185, -1, 454, 251, Tex2,0 1.42, 318, 120 463, 453, 46, +1, 157, 119 US50. pf .48 14 14 34 353, 351, 351, +1, 73	P/ Sis Chinge P/ Sis Sinch P/ Sis Sinch Sis Sis Sinch

ан Соберение Соберение и соберение Соберение и со

$ \begin{bmatrix} 127 & 234 & 234 & 244 & -4 & 324 & 16 & 170 & 343 & 14 & 100 & 343 & 14 & 140 & 341 & 144 & 153 & 157 & 155 & 155 & 155 & 15 & 14 & 141 \\ \hline 177 & 201 & 201 & 205 & 205 & 100 & 205 & 100 & 205 & 100 & 205 & 100 & 205 & 100 & 100 & 140 & 100 &$	WORLD VALUE OF THE DOLLAR every Friday in the Financial Times	_
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	THE DOLLA every Frida in the Financial Tin	
$\begin{array}{cccccccccccccccccccccccccccccccccccc$		
$ \begin{array}{c} 8.6 \\ 8.6 \\ 8.6 \\ 8.7 \\ 8.6 \\ 8.7 \\ 8.6 \\ 8.7 \\ 8.6 \\ 8.7 \\ 8.6 \\ 8.7 \\ 8.6 \\ 8.7 \\ 8.6 \\ 8.7 \\ 8.6 \\ 8.7 \\ 8.7 \\ 8.6 \\ 8.7 $	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	
382 255, Tention 100 621 382 244, Tentor p1140 64 382 244, Thack p1415 16 383 254, Tentor p1415 16 384 254, Thack p415 16 385 554, Thack p415 16 385 554, Thack p615 16 385 554, Thack 985 43 11 254 133, Thorth 985 43 11 254 134, Thorth 985 43 11 254 134, Thorth 985 43 11 254 132, Thorth 953 42 254 132, Thorth 90 34 2 254 257, Timel 120 23 41 254 257, Total 120 23 41 254 257, Total 120 23 11 254 252 15 252 15 254 252 15 252 15 253 153, Tothra 202 31 254 252 15 253 15 253 153, Tothra 150 417 15 254 257, Total 91225 1	186, 125, Trained 40.30 33 24 Tribun n. 72.27 31, 24 Tribun n. 72.27 111, 75, Tribo 16.184 255, 135, Trany 50.253 177, 11 Tribun 100.51 177, 11 Tribun 0.051 181, 122, Tubu 0.053 1.32 234, 125, Trany Tubus 20.43 237, 126, Trans Tubus 20.43 234, 225, Tibu 0.43 3.34 234, 225, Type T0.255 1.33 415, 227, WAL 9 2.04 2.04 234, 234, WAL 12.40 1.04 2.04 53, 83, UMC 2.04 2.04 1.04 53, 83, UMC 2.04 2.04 2.04 54, 83, UMC 1.04 2.04 2.04 54, 83, UMC 1.04 1.04 1.04 657, 658, UMC UMC 0.08.8 1.04 173, 111, UMF8 MOB 8.8 1.04 1.04 105	
$ \begin{array}{c} 82 24 10 & 463 & 34 & 331 & 54 & + 1 \\ 7 & 52 & 164 & 55 & 129 & 232 & 232 & 232 & + 1 \\ 8 & 56 16 & 16 & 69 & 259 & 232 & 232 & 232 & + 1 \\ 156 549 & 2333 & 335 & 335 & 335 & 355 & + 1 \\ 156 549 & 2333 & 335 & 335 & 355 & + 1 \\ 156 549 & 2333 & 335 & 335 & 355 & + 1 \\ 156 549 & 2333 & 100 & 442 & 442 & 442 & 441 & -1 \\ 126 549 & 2333 & 355 & 355 & + 1 \\ 126 549 & 2333 & 100 & 442 & 442 & 442 & 441 & -1 \\ 126 549 & 2333 & 355 & 355 & + 1 \\ 126 549 & 2333 & 355 & 355 & + 1 \\ 126 549 & 2333 & 100 & 433 & 355 & 355 & + 1 \\ 126 549 & 2333 & 100 & 442 & 442 & 441 & 141 & -1 \\ 126 549 & 2333 & 355 & 355 & 555 & + 1 \\ 126 549 & 2333 & 100 & 442 & 442 & 441 & -1 \\ 126 44 518 & 164 & 555 & 555 & 555 & -1 \\ 120 42 1 & 231 & 231 & 231 & 255 & 555 & 555 & -1 \\ 120 42 1 & 231 & 231 & 231 & 231 & 235 & 235 & 555 & 555 & -1 \\ 120 42 1 & 231 & 231 & 231 & 231 & 235 & 235 & 555 & 555 & -1 \\ 120 44 1 & 168 & 265 & 234 & 234 & 232 & 235 & 256 & -1 \\ 120 44 1 & 168 & 265 & 234 & 255 & 255 & -1 \\ 120 42 7 & 15 & 155 & 155 & 555 & -1 \\ 120 43 1 & 9 & 265 & 235 & 355 & 555 & -1 \\ 120 43 1 & 1 & 9 & 265 & 235 & 355 & -1 \\ 120 43 1 & 1 & 9 & 265 & 235 & 355 & -1 \\ 120 43 1 & 1 & 9 & 265 & 235 & 355 & -1 \\ 120 44 1 & 23 & 355 & 155 & 555 & -1 \\ 120 44 51 & 15 & 555 & 155 & 55 & -1 \\ 120 44 51 & 15 & 555 & 155 & 55 & -1 \\ 120 44 51 & 15 & 555 & 55 & 55 & -1 \\ 120 44 51 & 15 & 555 & 55 & 55 & -1 \\ 120 44 51 & 56 & 59 & 235 & 55 & 55 & -1 \\ 120 44 51 & 56 & 59 & 235 & 55 & 55 & -1 \\ 120 44 51 & 56 & 59 & 235 & 55 & 55 & -1 \\ 120 45 55 & 14 & 45 & 155 & 555 & -1 \\ 120 45 55 & 14 & 54 & 115 & 555 & 55 & -1 \\ 120 45 5 & 11 & 57 & 235 & 355 & 55 & -1 \\ 120 45 5 & 11 & 57 & 235 & 355 & 55 & -1 \\ 120 45 5 & 14 & 57 & 225 & 235 & 55 & 55 & -1 \\ 120 45 5 & 14 & 57 & 225 & 235 & 55 & 55 & -1 \\ 120 45 5 & 14 & 57 & 225 & 235 & 55 & 55 & -1 \\ 120 45 5 & 14 & 57 & 225 & 235 & 55 & 55 & -1 \\ 120 45 5 & 14 & 57 & 225 & 235 & 55 & 55 & -1 \\ 120 45 5 & 14 & 57 & 225 & 235 & 55 & 55 & -1 \\ 120 45 5 & 14 & 57 & 225 & 235 & 55 & 55 & -1 \\ 120 45 5 & $	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	
145, 85, 25, 25, 50, 50, 50, 50, 50, 50, 50, 50, 50, 5	134, 10, 3000k 234, 205, 30, 30, 30, 30, 30, 30, 30, 30, 30, 30	
	13488 5 152 152 152 -18 31 28 12 2 104 164 164 + 4 153 65 24 64	
31:2 291: RAC 291: 71:7 RAC 201: 7	104 SCA 104 SCA 107 2314 SCA 107 234 SCA 107 234 SCA 107 17 SPSTac 17 SPSTac SP 17 SPSTac ST 17 SPSTac SP 17 SPSTac SP 18 Supple Supple 19 SP Supple 101 SS Supple 102 SP Supple 102 SP Supple 102 SP Supple 102 SP Supple 103 SS Supple 114 SS Supple 21 ST Supple 21 Stand Supple 21 Supple Supple 21 Supple Supple 21 Supple Supple 21 Supple Supple	

CH Jur

ે C

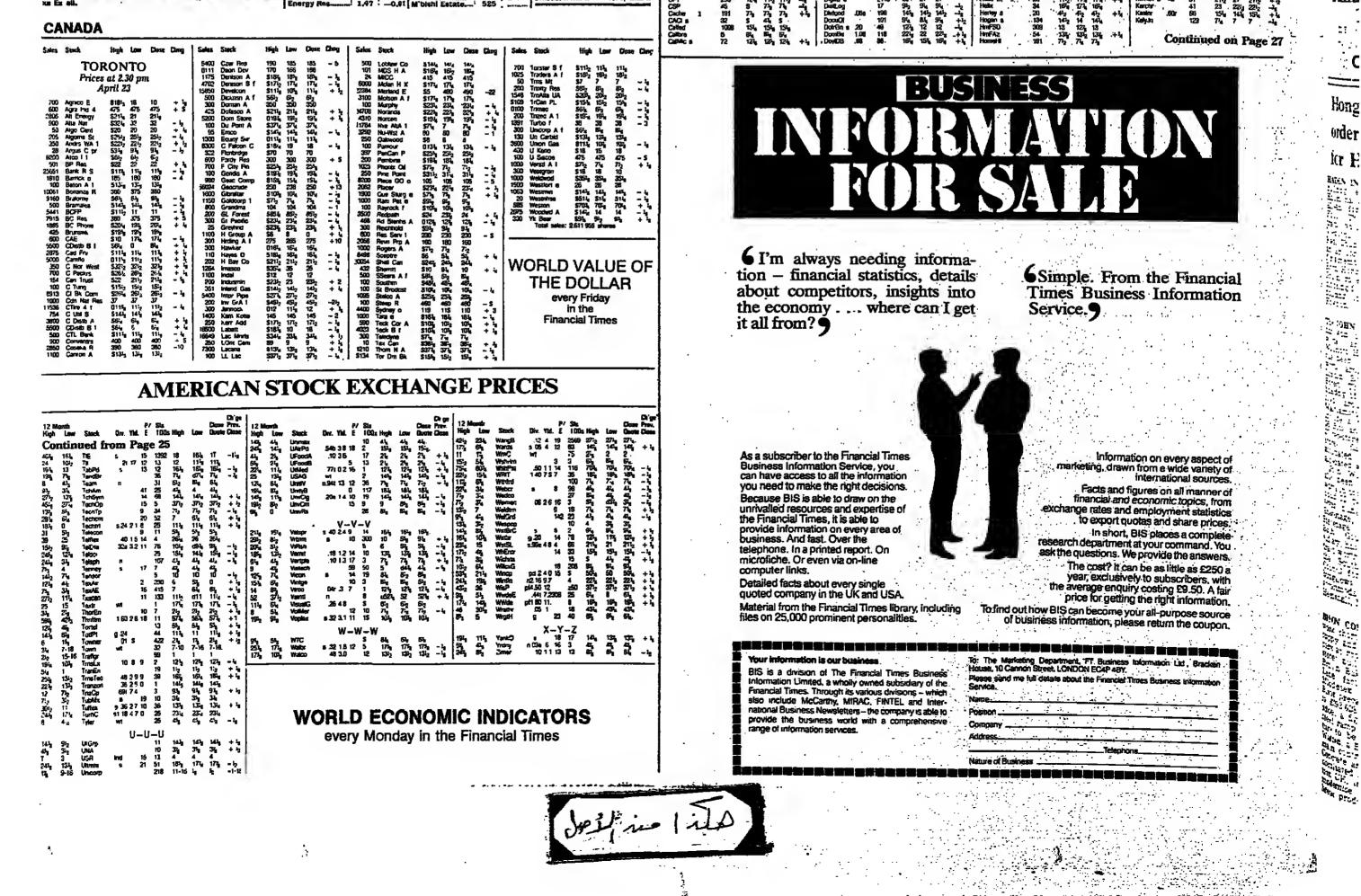
Hong

order

la F

WORLD STOCK MARKETS

AUSTRIA	GERMANY	NORWAY	AUSTRALIA (continued)	JAPAN (continued)	OVER	R-THE-COU	NTER		Nasdaq	national market, 2.30pm prices
April. 19 Price + or Sch% -	Apr. 19 Price + or Dm. —	April 18 Prico + or Kroner -	Apr. 12 Price + or Aust. 5	April. 28 Yen -	Stack S	alles High Low Last Choy Stock	Seles	High Low Last Chog Stock Sale	High Low Last Ching	
Greditanstalt' 212 Goesser	AEO-Telet	Bergon Bank	ICI Aust	Mitsuj Co	AFG s AGS AVA ASK C s AsmR s Acadin s 2000 Acadin s 2000	Section 158 17½ -1 Carbon 1 158 17½ -1 Carbon 204 19½ 15 19 -1 Carbon 204 19½ 15 19 -1 Carbon 201 15½ 15 19 -1 Carbon 202 15¼ 14¼ 14½ Carbon Carbon 202 15¼ 14¼ 14½ Carbon Carbon 203 15¼ 14½ 14½ Carbon Carbon 203 15¼ 14½ 14½ Carbon Carbon 203 17¼ 15½ 15½ Carbon Carbon 203 11¼ 10½ 10% -1½ Carbon 204 11¼ 10½ 10% -1½ Carbon 204 11¼ 10½ 10% -1½ Carbon	s .15 22 nG 42 ht 341 in 52 n 57	Bind Dreads Iffend 65, 65, 65, 85, 85, 85, 85, 85, 85, 85, 85, 85, 8		LONDON Chief price changes (In pence unless otherwise indicated)
	Commerzbank 180	SPAIN	Mayna Nickless., 2.55 Meekatharra 0.75 Myer Emp 1.9	Nippon Kokan, 1431 Nippon Oll,	AcuRay .15 4 Adacub 6 Adage s 7	17 194, 195, 191, Canada 391 - 65, 65, 65, +1, Center /4 105, 82, 93, −1, Center /4 105, 82, 93, −1, Center	or 686 an .40 -43	111, 105, 115, +5,) Dysen 91 231, 23 231, +1, - 64, 64, 64, -4, -	10 94, 10 +4 E—E	EISES AMEC 232 + 7
AR8ED 1.775 +30	Oegussa	April 18 Price + or Ptag -	Net. Com. 8k 3.55 10.6 Nows	Nippon Steel 175	AchCir 1 AfBah ± .80 2 AirWac 1 6 AirCei 8	236 181 18 181, Cetus 30 131 131 131 - Cetus	s 267 S 27 55	111, 101, 111, +1, BH int 37 18 171, 173, -1, EaglCat 84 103, 10 104, +4, EastCal 58	34 34 34 34 5 3 -4 5 42 44 -4	BL 60 + 6 BOC 292 + 6
Bang In1 A Lux 5,200 Bekaert 8	Deutsche Bank 300.0 +2 Dresdner Bankk. 177 +0.2 GHN	Bco Bilbao 295 +4 Bco Central 312 -2 Bco Exterior		2 Nigpon Yuson 243 -1 6 Hissen Motor 665 -2		NS 261, 261, 261, 3, Chk7 131, 131, 131, -1, Chkw 131, 131, 131, -1, Chkw 131, 131, 131, -1, Chkw	nts 32 66 ex 22	Gir 5 Gir + in EcontLin 1.04 95 26 251, 25 50 ECmp: 05 59 512 </td <td>224 222 222 -4 8 85 54 114 114 114</td> <td>Babcock Intl 163 + 9 Bank of Ire 360 + 15</td>	224 222 222 -4 8 85 54 114 114 114	Babcock Intl 163 + 9 Bank of Ire 360 + 15
Cockerili 503 + 14 Delhaize 4,900 - 10 EBE\$ 8,790 - 10 Electrobel 5,740 + 50	Hochtief	Bco Santonder 290 Bco Vizcava	Pioneer Conc 1.60.0 Reckitt & Coln 2,65	2 Nisshin Flour	AlegHit 3 AlegB # 40 1	1 11 11 11 -1, Children 4 14 131, 14 +1, Children 17 231, 221, 221, -1, Chrom	er 2 Ta 58	18 ¹ ₂ 18 ¹ ₂ 18 ³ ₂ + 1 Ebr s 14 14 ¹ ₄ 13 ¹ ₄ 14 - Eec5ic 114	91 ₂ 97 ₄ 94 10 ¹ 4 10 ¹ 2 10 ¹ 4 8 7 ² 4 7 ₂ + 1	Bowater 335 +12 Brit. Print 196 + 7
Fabrique Nal	Horten	Dragados	Santos	2 Drinon Tateisi		22 4 3 3 3 1 Crym 48 10 8 10 - 1 Crym 50 23 21 83 - 2 Catha Catha Catha	s 054e 4 r 5 \$17	15% 15 15 15 15 15 20% 20% 20% -% 15 19 16% 18% -% 15 15% 15 15% 18% -% 15% 15% 15% 15% 15% 15% 15% 15% 15% 15	31. 104, 72 74 I. T 1614, 1559, 1559, 13 13 13 13	Chapman Inds. 245 + 17 Distillers 284 + 11 Hawker Sidd. 466 + 14
Gevaert	Kaufhof	Telefonica	Southland Min's. 0.40 Bpargos Expl	Sankyo	AWAIn 1 ABinkr 50b 1 ACarr s 1	27 34 9 84 0 0 134 1342 1372 C2354 0 1354 1342 1372 C2254 20 1272 1274 1372 C2201 20 1272 1274 1274 C2201	1 138 152 A i 25	244, 84 34, Extended 10 294, 257, 257, 4-1, Encone 226 334, 254, 254, -4, Encone 73	13 13 13	Henriques (A.) 48 + 12 ICI
Kredietbank	Krugp	April 12 Price + or	Varngas	5 Sanyo Elect	AConti 1 AFdSL 1 .50 S AFletch 1.48 x AGreet .42 S	134 134 134 Chyfe	1 s 05e 183 1 80 3	94, 97, 94, Bruck s	1834 - 16 1654 415 48 41 + 15 80 73 81 + 15	Laing (J.)
Soc. Gen. Banq' 5,500 + 20 Soc. Gen. Seige 1,860; + 5 Sofina	Mannesmann 142.7 -0.3 Mercedes Hid 490 -4.5 Metaligesell 245 +3	AGA	Woodside Petrol. 1.12 +0.6 Woolworths	2 Sharp	AminL1 20e 1 AinGrp 44 1 AMS 1	1 284, 295, 294, -1, Cant. 86 245, 24 245, -1, Cant. 88 134, 135, 137, Cant. 88 139, 135, 137, Cant. 7 14 14 14 14 1, Cant. 7 14 14 14 14 Cant.	1 60	12 11%, 11%, +%, EngRav 23 21%, 21 21%, +% EngRav 23 3% 3%, 3%, Expand 24 25%, 25 25%, +%, Expand 24 25%, 25 25%, +%, Expand 20 39	84, 89, 84, -4, 145, 18, 18, 19, 20, 197, 194,	Pearson (S.)
Solvay	Preussag	Alfa-Laval	HONG KONG	Shiseldo	Altins .96 7 APhyGp 7 AQuast 8 AmSolt 14	09 25 244,25 (Calab 34 84,74,84, +i, Calab 0 45,44,44, -i, Calab 06 15 145,144, +i, Colori	A 56	74 64 64 Ews3ut 37 154 10 10 10 Excell 154 155 155 155 -1	17 17 17 +4 27 24 24 +4	Smith & Nephew 228 + 12 Steetley 267 + 9
DENMARK	Schering	Cerdo (Free)	Agr. 19 Price + or H.K.6 -	B'tomo Metal 199	ASolr s 6 ASurg 7 Amrtist 2.88 ft	4 65 84 94 +	at 16 57	1775 1776 1776 1075 1075 1075	63 82 84 -4 14 13 134	Tarmac
Apr. 18 Price + 2r Knr % —	Veba	Ericeson	Bank East Asia 24.8 Chaung Kong 9.95 +0.1 China Light	5 Taisei Corp 215	Arngent 1 Anedate .10 5 Anlogic s 5 Analyl 5 8	8 9 9 Garrel 8 15 141 ₂ 15 +1 ₃ Carrel 0 71 51 71 +15 Carrel	nc 210 196 U 92 315	275 274 274 Feddern 1 275 274 274 Feddern 1 201 204 205 +1 Fedder 248 77	. 394, 385, 384,	Eglintoo Oil 142 +22 FALLS
Aarhus Olle	Volkswagen	Saab-Scania	Hang Seng Bank. 41.25, +1.2 HK Electric	5 TDK	Anaran 6 Andrew 5 Andros 2	2 712 714 714 -12 Com5 2 712 714 714 -14 Com4 2 712 714 714 -14 Com4 0 com5	mr 31 nd 336 71	1312 1214 1214 + 1 Figget .68 100 - 51a 51a 51a - 2 Ringonx 158 2014 1914 2014 + 1 Fiddesk .2 .37	24 235 24 +17 55 55 55 355 362 346 -4	Exch. 12pc 1998 £106%
CopHandelabank 254 0. Sukkerfab	Apr. 20 Price or	SKF 220 + 2 \$t. Kopparbergs. 770 -15 \$ven Handelson. 200 + 1	HK Land	5 TBS	Apoges 12 54 ApoloCs 12 AppleC 74 AptBlo 7	276 221, 211, 221, +1, Comp 055 291, 25 287, +1, Comp 105 497, 14 10, 11, Comp	eq 190 C,32 161 Cp 63	164 1874 1874 FAThh 1 .31 54 0 54 +4 FAThh 1 .31 1874 1874 1874 -3 PROS 296 67 32 34 34 -3 PROS 232	4552 45 4552 +4 1274 1274 1274	Fogarty
Forenede Brygg. 965 Forenede Damp. 160 5 GHT Hidg	Banca Com'le	Volvo 8 iFree) 467 i	Jardine Math 11.8 +0.5 Hew World Dev 3.72 +0.1 Orlent O'seas 2.57 +0.0 O'seas Trust Bk 3.5 +0.0	Tokya Style	ApidCm 2 ApidMs S ApidSir S	1 271 272 273 +1 0000 8 121 111 124 +1 CmpA	5 93	41 49 442 Fiber 1 1233 1552 15 1552 + 4 Fifth 2 - 184 174 17 17 - 18 Fiber 2 2 74 74 72 12 + 4 Fifth 2 2 74 74 72 12 + 4 Fifth 0 2	13 124 124 -4 13 124 133 14 14 14	<u> </u>
Jyske Bank	Gredito Varesino 5,400, +1 Fiot 4,244 +14 Finsider	SWITZERLAND	SHK Props	Toray	ArgoSys 14 ArizE .801a 68 Arial 8 AscHis.12 44	9 184, 154, 184 Crap 6- 84, 84, -1, WCrap 63 105, 125, 125, +1, Crap	10 32 10 32 1 32	113 114 114 Fleine 1.80: 134 4 1-10 4 + 1 - 16 Fleine 1.83 71 124 124 125 Fleine 1.83 71	255 255 255 257 264 24 24 105 105 165 +5	Honing 56 2 213 214 214 -17
Provinsbanken	Generali Assicur 37,800 -40 Invest		Wheel'k M'timo 2.05, World Int, Hidgs. 2.42' +0.9	Toyota Motor	Astrony 3 Adınt8 a 40 5 Adifin 3	2 74 7 7 -4 Ompai 84 245 244 245 -4 Ompai 3 104 94 51 -4 Ompai 97 7 -4 Ompai	R .12 360	Gir 4 + 1 FRBGe 80 121 13 54 94 -3 FSvMss 132 15 141, 144 FTenNa: 148 272	244 345 244 +4 124 114 115 +4 235 234 234 -4	Hoomer 1 96 214 203 203 Hwent 154 154 15 15 Hwent 28 27 174 174 174
FRANCE	Diivetti	Bank Leu	April 23 Price + or	Yamaha	AdRes 1 40 ArSeAir 25 AnvelOc 1 AutTrT 4	9 81, 81, 81, -1, Contas 167, 183, 154, Comput	in 32 No 28	1445 1376 1376 -4 FillinCo 1376 110 Fre Fig. Fig4 FillinCo 1376 110 Fre Fig. 51 51 51 51 51 51 51 51 51 51 51 51 51	375 374 374 -12 131 13 13 -4 140 140 140 393 32 39 -12	HimgBin .460 12 27-27 274 -47 Hurco 15 145 14 4 -42 Hybritic 245 165, 15 164
April 19 Price + or Fra.	Toro Assie	do. (Part Certs). 1,740' - 5 Credil Suisse	Alinomoto	Yokogawa Bdgo. 420 +9 SINGAPORE	Autratic 14 Autration e 22 AvretGr 6	8 140, 140, 140, -1, Gran 44 121, 12, 12 12 Connect 5 111, 111, 111, -1, Crant 17 167, 17 Connect 2 200, 200, 200, -1, Connect	hp 159 : sh 156 :	74 9 +4 Flaroch 20 1 34 84 85 -4 Fanal -117 3 25 5 Futors 04 6	122 ₂ 121 ₂ 121 ₂ - 4 4 4 4 10 6 52	HydeAs \$ 0 0 8 -4 Hygono: 32 7 7 7 HyteKX 31 101 ₂ 101 ₄ 101 ₂ -4
Emprunt 443, 1576 1,845 +22 Emprunt 75, 1070 9,610 -11 ONE 33,	NETHERLANDS	Genevolse	Amada	Apr. 23 Price + or	Avitek 95 Aviter 34 Aztelli 20 66 Aztelli 1 18			et et en 14 Filon A 05 52 714 564 274 - 7 Fibilio 15 125 1892 164 1894 - 1 Foresto 1 57 2854 2894 294 - 1 Roman 60 394 57 5894 + 2 Roman 60 394 57 5894 + 2 Roman 60	5 54 5 54 54 55 25 25 25 25 -1	
Air Liquide	Agril 19 Price + or Fis -	Jacobs Suchard. 5,700 Jeimoli	Canon 1,320 + 10 Casio Comp. 1,500 Chusai Pharm 1,020	Boustead Hidgs 2.58 + 0.92 Cold Storage	BPI Sy 11 BRCom 3	4 10 151,151, -L, CANA 9 54,9 9 Cons 8 34, 34, 35, 5 8 -B 8 -B 10 40,45, -1 10 4	p 220, 74 1 17 20 1	Pa Sa Sa Sa Footum s 050, 368 Pa Sa Sa Sa Footum s 272	4 3 4 s s 4 s 4 13 13	HT Sy 6 34 34 34
Carrefour 1800 -15	ACF Holding 185 + 2.5 AEGOH	Ocr-Buehrie	Citizen	Fraser & Neave	Brochio 1 36 Bepilter 1.24 90 Bancter 4	201, 201, 203, +1, Calles 84, 8 8 - Convg	767 1 129 1	45 Premut 48 50 137 139 139 +4 Fremut 48 50 175 11 17 −4	14 131 137 25 242 242 -12 151-16 16 -1 301 2912 301 +1	Intrust 1.30 18 265 265 265 -
Club Mediler'n	ABH	Sandoz (PtCh) 1,0205 Schindler (PtCh) 57515 Swissair	Eisel	Malay Banking 10.3	BanoH 1.60 35 BANEn 2.60 26 BantaG .56 15 Bastin A .150 41	4512 4512 4512 Coors 4512 4512 4512 Coors 17h 17h 17h 17h - h	8 40 760 8 .21 8 .344	անչ 140, 140, -Ն, 10 05, 5%, -Ն, -Մ, 181, 180, 181, +Ն, GTS-s 1 12 101, 281, 281, -Ն, Guttoo, 2 101, 281, 281, -Ն, Guttoo, 33		Indual 1.30 18 26% 26% 26%
Cofimeg	Bredero Cert 201 Bos Kalis Westm. 50.5	Swiss Bank	Fuji Sank	Malay Brow	Basam 32 Basat 1 ,50a 21 Sectiv a 44 17	9 87 8 Corus 122 814 304 314 Corus 73 21 204 21 Corus 9 85 384 364 Corus 9 87 21 Corus 9 87 21 Corus 9 87 21 204 21 Corus	1 \$ 180 27 3 1999 7 71 2 C 175 1	12 73 74 -4 Genetch 171	111 104 114 +4	inantNrs 659 20 29 295, Internors 246 135, 139, 135, Inatas 2475 34 331, 331, +2 InatSy 5 166, 16 16 InatSy 5 166, 16 16
En-Aduitaine 255 +8,5 Gen-Occidentale 595 +18 Imetal	Calland Hidgs 35.8 +0.5 Credil Lyon'is 8k 57.3 Elsevier-HDU 515	Zurich Ins	Orsen Cross	OUB	Bayelies 2.20 S Beyly 12 17 Bellet s 16	36%, 36%, 36%, Crusto 7 13%, 12%, 13%, +1, Crusto 3 11%, 11%, 11%, Crusto 6 11%, 11%, 11%, Crusto 6 11%, 11%, 11%, Crusto	80 79 3 1340	and state and	124 115 124 +4	heriet 10 3% 3% 3% http://h http://h httm://hiteriet.com/article/artic
Lalarge Coppes. 390.8 +2.8 L'Dreal	Gist. Brocades 158.5 -1.8 Heinekan	AUSTRALIA	Orsen Cross	SOUTH JERICA	Betzib 1 40 Bewiiss 50 Big B s 19 Billings 54	S 45 45 -17 0	- ,40 0 ,94 27 8 56 48 153	HL 135 142 +1 Genter 88	Al 'Al AL	hammed: 55 14 135 135 14 In Cape: 10 8 5 0 In Cane: 151 23 23 3 4 IGame: 21 151 143 145 44
Midi (Cia) 1000 +31	Hoogevens	Anr. 19 Aust £1	Ne Materia 0 970	Rand -	Bilings 54 BioRes 35 BioRes 35 Biogen 46 Biogen 46 Biodanc 36 Biolanc 36 Biolanc 36	57 133, 133, 133, +5, 7, 5 57 27, 27, 27, 3 12 113, 113, 113, 12, 12, 12, 12, 13, 12, 13, 13, 12, 13, 13, 13, 13, 13, 12, 13, 13, 13, 13, 13, 13, 13, 13, 13, 13	D-	D GlenFo B43	6 6 6 6 6 7 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 2 1 2 1 2 2 1 1 2 1 1 2 1 1 2 1 1 2 1 1 2 1 1 2 1 1 2	Indiang s 148 141 ₂ 14 141 ₄ + 1 ₄ Indiang a 3 121 ₂ 121 ₂ 121 ₄ + 1 ₄ Indiano a 3 121 ₂ 121 ₄ 121 ₄ + 1 ₄ Indiano a 37 1 3 18 11 ₄ 11 ₄ + 1 ₄ 8 -
Moulinex	Hal Hed Cert., 1917 + 5 Hed. Credit Bank 40 Hed Mid Bank 15 Hettloyd	ANZ Oroup	10. 100000	Abercom. 2,45 AE & Ci. 8,50 Anglo Am Coal. 89.5 + 0,25 Anglo Am Corp. 34.9 + 0,15 Anglo Am Cod. 153 + 1 Barciaya Bank. 20.5 + 10.5 Barloy Bank. 20.5 + 0.5	Biosna 14 Bindinc 36 BishG s 17 Biss s 1 28	12 63, 8 67, +3, 08A s 8 55, 69, 64, +1, 0aby 7 72, 74, 75, +1, 0aby 12 35, 34, 35, 0ab	y 148 2 0 40 6 .13 238 8	24, 213, 224, +4, Gott 4 A, 64, 65, +1, Gott 6 7, 70, 87, +21, Gottom, 53	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	InCapeE 10 6 5 0 InCapeE 12 23 23 23 -Le Game 21 15% 142 142 -Le Indicape 5 146 142 144 146 +Le Indicape 5 146 142 142 146 +Le Indicape 5 146 142 144 146 +Le Indicape 5 146 142 144 146 146 146 146 146 146 146 146 146
Peugeot S.A	Hediloyd	Aust, Duarant 2.75 +0.02 Aust, Nat, Inds 2.65 Aust, Paper		Buffels	BobEv 1 .26 58 BoltTch .16 17	701 101 101 1 Dee KO	24 41 1 24 109 1 5 520 1	3 125 125	64. 64. 64. +14 4 35. 35 104. 85, 85, -4 239, 229, 229, -4, 20 183, 195,	
Printempa Au 153 + 3	Philips	Aust. Paper 2,02 Bell Oroup	Kirin	CNA Gallo	BatenDig 4 BraeCp 23 Brenco 24 24 BristC 1 7 BrwTom 20	111, 103, 103, -12, DISWE 14 \$ 84, 85, +4, Detown 154, 154, 154, Detaun 182 54, 5 51, +5, Detaun	12 5 12 5 12 5 12 6 12 6			Billenit 20 5 100, 100, 100, 100, 100, 100, 100, 100,
Roussel-Uciat	Rolinco	Brambles Inde 2.86 i manu	Konishiroku	FS Geduld	BurtCt 60 BurtCt 60 BurtCt 16t x1	1244 137 14 Deb9h	20 24 1 135 8 72 14 2	61 ₂ 16 13 -1 ₂ B ₄ 67 ₆ 95 ₄ +1. HBO s .10- x251 - Nb, 243 243 HGC .08s .4	H 194, 184, 194, 1 101, 94, - 10,	Jammiler 14 2014 2017 2017
Telemeon Elect., 1,670 + 7 Thompson (.357), 306,51,3 Valeo		CRA	Marubeni	Nedbank 16.50 OK Bazaars	Burfar 56 BMA 13N 19	48 394,40 Denet C-C Dent	6 422 6 . 11 4	2, δ 4. λ-μ 2, 7 72, +-4, Hackman 52 5, 72, 82, +-2, Hackman 52 4, 42, 44, -4, Hadron 10 10 March 66	194, 184, 184, 1 10; 94, 10; 194, 1 10; 17; 19, 10; 14, 1 10; 17; 19, 14; 1 10; 17; 19, 14; 1 10; 10; 10; 18; 1 10; 10; 10; 18; 1 10; 10; 10; 10; 10; 10; 10; 10; 10; 10;	ODELA 1 - 189 - 44 44 41 - 44
		Consten "A" 5.12 + 0.92	Marul	Rennies	C COR 29 CP Rhb 13 CBT 1.64 78 CFS 1 40 42	CC 5 34, 64, 64, -1, Desp0r 8 11/2, 11/2, 11/2, +1/2, Desp0r 27 263, 263, -1/2, Dicond 225, 223, 224, -1, Dicond 10/3, 87, 87, -1, Dicond 239, 239, 239, -1, Dicond 239, 239, 239, -1, Dicond	4 26 1	4 404 404 44 44 46 46 66 67 10 66 10 10 66 10 10 10 10 10 10 10 10 10 10 10 10 10	284, 284, 284, 13 13 13 75, 73, 73, 15, 149, 15, 44,	olophso 50 50 10k 10 10 10
NOTES — Prices on this individual exchanges and are is suspended, and Ex dividend, as as Ex ell.	page are as quoted on the ast traded prices. \$ Dealings.	Duniop Adst	M'ta Elec Works. 7705 M'bishi Eank 1,080	SA Brews	C COR 29 CP RHe 13 CBT 1.54 78 CBT 1.54 78 CFS # 49 42 CBA C 28 CFT 25 CFT 25 CFT 25 CFT 25 CFT 25	5 34 64 64 - 4 Dagn 6 11/2 11/2 11/2 + 4 Decom 27 234 234 - 4 Decom 27 234 224 - 4 Decom 20 235 224 - 4 Decom 10/2 8/2 8/2 - 4 Decom 20/2 21/2 23/2 - 4 Decom 20/2 21/2 23/2 - 4 Decom 20/2 21/2 23/2 - 4 Decom 5 7/2 7/2 - 4 Decom	1 6 57 2 11 4 2146 2 1 17 9 1 17 17 17 17 17 17 17 17 17 17 17 17 17	37, 37 - Helen 5 B4	144 14 144 154 55 5 +4 1 114 114 +4	K-K LAs 83 71, 201, 201, -4 amen s 46 31 21/2 21 21, +1/2 arctir 41 23 22/3 22/3 -4



modornise and increase the

bread production.

WORLD STOCK MARKETS

Over The Counter	Indices	1					
Stock Sales High Low Last Chang	NEW YORK DOW JONES		April 25	April 20	April April 19 19	i 198 High	4 i Low
(finds)	Apr. Apr. Apr. Apr. Apr. Apr. Apr. 1984 SinceComplitn, 19 18 17 16 13 High Low High Low	AUSTRALIA All Ord. (1/1/80) Mistals & Minis. (1/1/80)	(c)	ic) (ol	758.3 759.2 649.7 539.5	787.9 (9/1) 667.4 (5:1)	718.3 (8/5) 495.9 (1/3)
1.80 107 37 365 385	● industr'is 1158.99 1186.51 1184.571160.28 1150.18 1298.94 1150.55 1287.7 41 28	AUSTRIA Credit Alktien (2/1/52)	(c) i	<u> </u>	54.96 , 54,54		55,50 (3/4)
* .00 62 175 175 17 -	H"me Binds 67.19 67.44 67.49 67.81 68.00 71.75 67.19 (2011)/65(2/2/32)	BELGIUM					·
5 33, 33, 33, 44 26 34, 35, 35, -1, 26 17 154, 154, 154, -1, 29 141 185, 154, 154, -1, 08 65 214, 215, 224, -1,	Utilities 123.62 126.93 126.64 125.00 125.34 154.84 125.78 105.52 10.5	Belgian aE (81/12/88) DENMARK Copenhagen SE (8/1/85)	(6)		<u> </u>	154,80 :18/4>	185,28 (4/11
LL 32 85, 85, 85, 85,	000-1 75,680 85,040 98 150 73,870 99,320	FRANCE CAC Gensral (51/12/82)	(c) (c)	1C) 1Cl	175,9 ; 171,5	225.21 (98/1)	178,55 (29:5) T55,6 (5:1)
10 16 16 16	Day's high 1162.79 (1167.71) iow 1145.41 (1161.07) Industrial div. yield % Apr. 23 Apr. 6 Mar. 50 Yearage (approx)	Ind Tendance (50/12 83)	(c);	(c)	189,8 / 109,8	114.7 (25/1)	99.4 (8/1/)
2 33, 33, 34, -1, 6 33, 13, 12, 12, 1 227 10, 10, 10, 12, 1 11 15, 15, 15, 15, -1, 33 14, 14, 14, 14, 14, 1 40 35, 13, 13, 14, 14, 14, 14, 14, 14, 14, 14, 14, 14	4.80 4.88 4.74 4.69	GERMANY FAZ-Aktien (31/12/58) Commorzbank (1/12/55)	(c1 (c1)	(c) ? (c) ?	59.58 548.81 1022.7 1024.8	570,64 (2:2) 1099,6 (2:2)	341,1 (12;5) 898,6 (12/5)
227 105 105 105 1 11 134 155 155 1 -40 132 135 135 1 40 132 135 135 1 40 132 135 135 1 11 135 135 1 12 135 135 1 13 135 125 1 13 13 125 1 14 15 1 15 15 15 15 1 15 15 15 1 15 15 15 15 15 1 15 15 15 15 15 15 15 15 15 15 15 15 15 1	April Apr. Apr. Apr. Apr. Apr. Apr. ISINGS Comili'n 19 16 17 16 18 Nigh Low Nigh Low	HONG KONG Hang Seng Bank(61/7/84)	(c)	(c)	1175.55 1090.29	1176,55 (19/5)	871,08 (3/1
	Inclustr'is 178.96 178.88 180.12 179.80 178.95 190.64 174.18 154.04 2 49	ITALY Banca Comm Ital. (1972)	(a) }	(111) I	216.33 218.57	229.57 (1/2)	192,06 (2/1)
en ava, 304,364,⊸4 50 52 51 57 ⊥1.	Comp's'te 158.02 157.56 158.57 186.52; 187.51 168.22 187.51 168.23 172.51 4.40 (01/01/01/01/01/01/01/01/01/01/01/01/01/0	JAPAN	10900_8 1	: ÷	10785.0 10952.6	1.050 19 (2:4)	9838.47 (14/2)
50 57 54 57 + 1, 4223 195 190, 195 + 1, 30 234 23 23 - 1 60 321 32 32	4,00 4,08 4,85 4,24	Tokyo SE New (4/1/88) NETHERLANDE ANP-CBS General (1978)	848,51 (c)	(6)	542,71 855,60	178 5 /1/20	755.46 (4/1)
481 24 22 22 -1	Long Gov. Bond yield 12.66 19.47 19.67 10.41	ANP-CBS Indust (1870)	ic) i	توز	126,5 128,0	147,2 (1,2)	125,5 (18/4
S 231, 231, 230, 109 161, 16 16 -1, M M	N.Y.S.E. ALL COMMON Apr. 19 Apr. 12 Apr. 17	NORWAY Oslo 2E (4/1 18) SINGAPORE	(0)	(0)	(c) 281,47	281,47 (19/4)	221.67 (4/1)
3150 94 84 84 +4	Apr. Apr. Apr. Apr. 1984 19 16 17 16 High Low Falls	Straits Times (1998) SOUTH AFRICA	955,28	(0)	992.41 990.64	18/1,91 (2)	980,12 (28/3
316 197 181 197 + L	90.59990.8391.4191.00 99.53 80.92 New Highs	Gold (1958) Industrial (1958)	(C) (C)	(c) (c) · i	1463.7 1019,8 1458.8 1055,9 .	858.3 (5/8) 1105.8 (26,5)	783,1 /24/1) 862,6 (25/1)
702 10 93 95 -3 66 175 174 175	MONTREAL April April April 1984	8PAIN Madrid SE (30/12/88)	(c)	(c) .	(c) 18,49	120,40 (6/8)	181,22 (3/1)
0 08 04	Industrial 418,14 415,85 418,25 417,28 461,40 (6)(1) 412,27 (21/2) Gombined 675,58 206,11 266,57 566,35 435,37 (6/1) 293,36 (8/4)	SWEDEN Jacobson & P. (1/1/58) SWITZERLANO	(0)	(c)	1527.6 ,1527.88	1684.5 (3/21	1,401.04 (4/1)
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	TORONTO Composite : 2527.9 2531.0 2538.9: 2559.2 9585.7 (8/1) 3515.8 (8/4) NEW YORK ACTIVE STOCKS	awissBankC pn.(31/12/58) WORLD	(C)	(6)	572.8 378.4	588.7 (3/1)	860,0 (12/8)
2	Thuradsy Stocks Closing on Stocks Closing on Iraded price day Iraded price day	Capital (ntl. (1/1/70)	- }	l	187.7 187.7	89,6 /30.3)	1/8,2 /15/21
IS 94, 84, 84, -1, 8 84, 6 84, 8 84, 6 84, 9 84, 9 54 124, 112, 113, -1, 8 253, 255, 255, 10 290, 391, 392,	Canter Hewley. 3,877,800 28 +1 Guil 07	**Saturdsy April 21 Base values of all i 500. NYSE All Commo lest named based on 19 plus 40 Utilities, 40 Fi	ndices s	ure 100	ALCONT AUST	raise All Ordense	and Matale
25 333, 334, 334, 36 9 84, 9 85 113, 104, 113, +3,	Stack Sales High Low Less Chang Stock Sales High Low Less Chang	Stock Salas High	Low Les	a Ching	Stack	Sales High	Low Last Chang
84, 84, 84, 84, 84, 82, +4, 5, 5, 5 24, 234, 24	(Hands) NinCays 1 130 13 2894 28 28 -1 Numbed 1820 94 84 99g	(Hinds) Paotol 33 8% PaulPt 58 12%	84, 84, 112, 17	2	10000	(Hinds) 12 4 113, 2 8	712, 132, 8 8
57 24 231, 24 50 471, 483, 471, 21 71, 71, 71, 647 2 13, 13, -1,	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Pandd 33 85 PeddP1 50 128 PeddP1 50 128 PandH 221 10- Pantar s 79 378 274 PapedH 221 10- Pantar s 79 378 274 PapedH 402 24 PapedH PapedH 402 24 PapedH PapedH 402 24 PapedH PapedH 1199 25% PapedH Parter 121 129 PapedH 211 Parter 139 25% PapedH 211 Parter 139 25% PapedH 211 Parter 139 25% PapedH 210 16% Parter 121 126 210 16% PapedH 226 212 16% Picotard 80 44 2712 22 2 2 12 12 12	84, 81, 112, 17, 174, 17, 185, 162 265, 271 114, 114		Tangar 3 Tangem Tandon	28 45% 2220 20 575 5%	494 434
2 34 34 34 -4 59 239 234 234 -4 1 75 74 75	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	People's 2666 12% Peoplet 402 2% Percept 3 18 Petrite 1 199 26%	114 112 2 25 18 10 254 25 11 11	L _15.	1cCom TiomA s 1 1eiPiu 6	19 10 ⁵ 2 22×1 16-3 229 95 28 188 1734	157, 18 -12
75 84 534 535 179 111, 11 111, 3 75 75 75	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Petritar 1 199 253 Phrmct 41 12 PSPS 654 802 PhmMat 44 24	11 11 8 ¹ 2 8 ¹ 3 2 2	2 +4	Telepica Telepica	10 143	85 91 172 174 +1 144 144 -1 194 134 -1 194 39 +1 39 9 +1 122 13 +1 122 13 +1
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	PhnMat 44 2% PicSer s 121 16% PicCale .60 210 18% PicnHi .80 44 27% PicnStri .22 8 21%	165 165 189 199 271 271 211 211	+1	TotaLv	Dia 22 9	3 9 +1
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	PionStat .22 8 21% wPtzzT 667 17	211 211	5 + 4 	Tesdeta TeoFdi 1	2 62 75 7 55 77 38 77 38 77 38 77 38 77 38 78 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	12 54 54 4 54 58 4 54 58 24 4 54 58 24 4 54 58 24 4 54 55 4 55 55 4 55 55 4 55 55 5 55 55 5 55 55 5 55 55 5 55 55 5
10 141 141 140 120 141 14 14	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	vyPtzzT 667 17 PicyM a 30 2652 Porea 20 2252 PoelSI 1 130 5%	1 2 2 2 3 3 3 3	4 -4	Texane 2 TholNar 1	57 22 23 58 14 58 55 58 55 57 55 58	
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	Norbats 40 04 201, 25 107, 27 01, 0 0 107, 25 00, 157 01, 0 0 107, 157 01, 0 0, 0 0, 0 0, 0 0, 0 0, 0 0, 0 0,	Powell 30 3½ Powerts 5 14 PreConv 13 6½	33 82 134 134 64 62	111	Thomsc ThouTr 1meFib	59 55 52 26 79 9	54, 55, 4 55, 25, 4 55, 55, 5
141, 141, 141, 42, 45, 45, -1, 151, 151, 151, +1,	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	Town Town <th< td=""><td>64 62 24 24 7 7 74 74</td><td>+4 -5</td><td>Tipcary 1 Tocom TrakAu</td><td>46 £لو 18 2% 1291 لۇلى</td><td>5 5 -4 24 24 -4 124 134 + 5-16 16-1 18</td></th<>	64 62 24 24 7 7 74 74	+4 -5	Tipcary 1 Tocom TrakAu	46 £لو 18 2% 1291 لۇلى	5 5 -4 24 24 -4 124 134 + 5-16 16-1 18
5 35 334 344 -4		ProsCo 90 58 Proston 2 201/2 ProsCo 12 139 714 ProgC 1 18 7 30	565 564 2052 204 71 74	1. 1. 1. 1.		1 1-16 285 12's 36 14 25	
N-N 0 10½ 10% 10½ +½ 36 3 2% 2% -%	Novel 76 199 354, 344, 35 +4, Paragh 92 173, 114, 174, +4, Novel 76 392 77, 77, 77, Parkon 80 39 144, 133, 144, +5, Nambor 72 34, 77, 73, 74, -2, Parkon 82 14, 133, 144, +5,	ProgC a .18 7 30 ProptTr 1.20 44 1312 Protect 250 75 Quadra 125 55	74, 75, 564 2012 201, 74, 30 13, 74, 30 13, 75, 24, 181, 181,	مان المان من	T9kGs s J TuckDr TwnCty	48 54 18 24 1291 134 285 125 36 14 25 30 16 284 43 85 21 34	85 81 -4 5 5 -4 124 134 +1 124 134 +1 12 124 +1 12 124 +1 12 124 +1 28 283 +1 28 283 +1 29 35 35
·····	CONSTRUCTION CONTRACTS	uplication 667 training Propy 30 250 Porsta 20 252 Postal 130 5% Postal 100 5% Prostal 30 32 Postal 30 32 Prostal 30 32 Prostal 30 32 Prostal 30 32 Prostal 12 45 Prostal 12 24 Prostal 2 20½ Prostal 18 7 Quastric 64 174 Quastric 64 174 Quastric 64 75 Quastric 4 75	74,563,287,730 137,75,24 165,277,30 137,75,24 165,277,30 137,75,24 165,277,77,77,177,177,177,177,177,177,177,1		· Urosy A	U-U	
		QuestM B3 S3 Quest wt	8 14 X 12	+4 -2e-	Ungran Uniti Uniti	50 44 17% 21 12% 21 21 12% 24 0 20 26% 0 80 21% 13 7 15 25 84 17% 25 84 17% 25 84 17% 25 84 17% 25 84 17% 36 56% 17% 35 57% 24% 36 57% 24%	17-1-1-4-1 17-1-1-1-1 17-1-1-1-1-1 17-1-1-1-1-1 17-1-1-1-1-1 17-1-1-1-1 17-1-1-1-1 17-1-1-1-1
business [£33m road jobs for	OuerSy s 27 10 OuerSy s 345 912	174, 174 912, 912 914, 914	-12	UnPlotes 6 UACom .1 UBColo 1	0 870 285, 0 80 215, 65 175,	25 25 +1 201, 27 177, 177, +4 67, 64 -1
r business as been		RPM s 56 42 134 Radiy 6 7 16 Rudich 76 11	13 134		UnEdS UFnüm UFstFd		
ding since 1884	Tarmac and Budge	Radical 92 67	13 134 154 16 162 16 5 5	2 12	UGrdin 1 UPres 8 UnSvcL 1	25 84 74 124 22 204	167 17 -4 17 12 12 14 12 12 12 14 26 12 14
FOOL	THE f17m construction contract worth £340,00, is for a two-storey	Regen s 45 54 Reinr 1.76 113 364	364 384	2.	US Ant	35 52 53 2114	26-7 26-1 64 6- 207 207

INSURANCE Sharp rise in cost of reinsurance protection

BY JOHN MOORE, CITY CORRESPONDENT

INSURANCE COMPANIES and almost quadrupled in the last and the change is likely to pro-INSUKANCE COMPANIES and other risk carriers seeking re-insurance protection, or recev-ing existing reinsurance con-tracts in the past few months, faced a big increase in the prices they had to pay for lay-ing off risks.

In Europe, at least, there was a sharp turnround in the re-insurance underwriting cycle. Reinsurance premium rates rose, after a downward slide in the past five years.

But will the changing fortunes of the reinsurers influence treods in the direct insurance market? The signs are not encouraging and the fall in direct insurance Others, such as the Prudenand the Norwich winterthur Reinsurance Company, are newly established subsidiaries or associated companies of direct insurance groups. They bave committed part of their own capital propuest premium rates is expected to continue.

In recent years it bas been argued by insuraoce experts that a sharp contraction in re-insurance capacity could en-courage primary insurers to increase rates to provide them has increased. In the last six with the adequate protection no longer available in the re-insurance market.

That may be true, but there is little sign of a major contraction in reinsurance capacity, 23,000, at a time who and professiooals wooder is becoming more whether it is ever likely to reinsurance market. ls becoming more of a happeo.

Any real cootraction capacity is taking place on the fringe of the reinsurance mar-ket. Industrial companies Insuraoce experts say the latest treods show reinsurers attempting to reduce the amount of proportional rein-bouse captive insurance subinsurance on their books sidiaries, largely based offsbore Instead of agreeing to share, in centres such as Bermnda, proportionately, books of busi- have receatly reduced the have receatly reduced the amount of business they have ness of insurers or other re-insuraoce groups, the reinsurer been insuring for third parties. Some bave totally withdrawn of the London market in this class of business. London In-sures about 40 per ceot of the world's sbipping ficets. Aviation rates have also hardened, partly due to a big contraction in refrom third party insurance, concentrating on insuring their parent companies' risks. A patchy, and in some cases disastrous underwritiog experiinsuraoce capacity on this class oow prefers to underwrite excess of loss reinsurance busience has led to a big contraction in the amount of insurance and reinsurance capacity offered by oess-accepting lines of busi-ness in excess of predetermined captive companies limits. Some small undercapitalised

reinsurance groups have been forced to withdraw from the By developing non-propor-tional reinsurance business the scene and some of the larger state-owned reinsurance groups bave curbed their overseas operations following big losses in unfamiliar markets. These events have had little effect on retos. reinsurer can control unprofit-able hoes of business, and have greater freedom to make prices more reallstic,

However the shakeout in reinsurance capacity may not be sufficient to reverse the overall ratestreods in the underwriting cycle. The shakeout in reinsurance capacity is limited and likely to be more than offset by the arrival of new reinsurance capital on the

Some of the new formations are major additions to the aggregate capital base of the reinsurance Industry, such as the creation of the Arab Insurance Company and the Arab Reinsurance Company. Insurance Company. Insurance Company and the Arab Reinsurance Company.

Others, such as the Frutth-tial Reinsurance Company, the Royal Reinsurance Company and the Norwich Winterthur Company, are insurance-led improve-meot in the direct insurance underwriting cycle still seems way off. For the moment under-Reinsurance Company, are newly established subsidiaries or associated companies of direct insurance groups. They bave committed part of their own capital resources to reinsurance business. At the same time, the capacity of the Lloyd's insurance market has iocreased. In the last six years or so, the membership of years or so, the membership of insurance capacity on this class Lloyd's, which provides the of busicess. But on geoeral lines capital to allow the market to of insurance busicess, par-function, has jumped from ticularly the important property about 14,000 to more than and casualty market, rates are 23,000, at a time when Lloyd's till weak. insurance capacity on this class

In the U.S. the ratio of claims plus expenses to premiums ran at about 111 per cent last year. the worst underwriting results for non-life companies sioce the San Francisco fire and earthquake at the beginning of the cectury. The underwriting experience is expected to

worseo this year. Whatever happens in the re-insuranca market, which accounts for more than 15 per cent of world insurance premlums, will oot bave any significant effect oo trends in direct Insurance.

Buildings VAT call backed

By lan Rodger

Perhaps the bravest man Iever knew...'

in

THE LITTLE Neddy for the building iodustry has supported calls oo the Chancellor to drop the proposal to extend value-added tax to building altera-tions and improvements.

The Buildiog Economic De velopment Committee sald, fol-jowing its meeting this mooth, The change in underwriting that the extension of VAT philosophy of the major soundly would increase improvement based groups—as they shift costs and so force some to can away from proportional to noo- cel projects when housing stock proportional business — will urgely needed repair, have little impact on the direct Sir Monty Finniston, the

reinsurance capital on the insurance underwriting cycle. committee's chairman, said: "I market. The capacity bulge is, after all, don't think achieving a Worldwide, the number of being shifted from one type of balanced budget is a good and reinsurance companies has market arrangement to another, sufficient reason for doing this."

27



360

TBC

Completion is due in July 1985.

Developments. The contract,

10 10% + 12 28

UK COMPANY NEWS

Financial Times Tuesday April 24 1984

RECENT ISSUES

EQUITIES

Greggs looks for expansion after getting full SE listing

BY ALISON HOGAN

Greggs, 5 bakery and retailer group based in the North of England and Scotland, is getting a full listing on the Stock is from bread. The other pro-bread full listing on the Stock ducts include savouries, cakes, offering 10.8m sbares in Greggs Turnover bas increased from at 135p per sbare, which gives f19.69m in 1979 to £37.01m in 8 market capitalisation of 1983. Pre-tax profits sdvanced f14.55m.

The business has been built up In the same period, pre-tax who took over the family shop in Newcsstle-upon-Tyne when his father died and now has 280 shops in four different regions with four bakeries supplying almost all the products. The regions are aroued New-eastle, Glasgow, Leeds and Man-chester. Each division is run autonomously by the manage-ment and trades under a differ-ent name. The directors bave udertaken considerable research into other geographic areas and expect to start to build up a new cluster of bakery stores, probably within a year. They also see scope for around 20 additional stores in Industry and CIN Industrial Investments. by the chairman. Mr Ian Gregg.

Subscription lists open on riday. Dealings should comeach of the four existing regions. About 20 per cent of turnover Friday. Dealings should is from bread. The other pro- mence on Friday, May 4.

Capital programme costs

Unilever £491m worldwide

• comment

Greggs will start as a minnow among the giants of food retail-ing listed on the Stock Exchange. It bas decided to pay the full wback for the status of a listing in the year to December 1983. In the same period, pre-tax profits as a percentage of turn over has risen from 3 per cent in preference to the more typical route these days of the USM for a company of its size. The con-servative streak which decided the company to go for s full listing bas governed its growth through the years—carefully snd steadily. It appears to make profits whether in a small neighprofits whether in a small neigh-bourhood row of shops, or in a huge mail competing with the tastore bakeries of the super-market chains. Careful site selec-tioo and an eye to service has beloed win and keep customers.

The pricing bas been carefully pitched at a discount to the "Big Boys" like Sainsbury and Tesco. A good solid company which perbaps lacks a little leavening.

Second half boost for Fortnum & Mason

A TRADING profit of £312,000, against a £65,000 loss, was earned by the Fortnum & Mason department store in the year to January 28 1984. And, after interest received, profits 8t the taxable level moved ahead from

£159,000 to £522,000. The second half of the year provided a substantial boost to both sales and profits, says Mr both sales and profits, says Mr G. H. Weston, the chairman. Following an interim loss of \$135,000 (\$264,000) on sales of \$1463m [\$3.63m], the second half experienced a 14 per cent rise in sales of \$6.72m (\$5.91m) and a \$205,000 rise in profits to \$558,000.

Virtually all departments in the store achieved "real growth" in sales, Mr Weston says, and adds that much of the current gsios could be attributed directly to continuing the extension of the product range, improve-ments in the level of service, and tight management control.

Fortnum, ultimately held by Whittington Investments, has close company status. The divi-dend is lifted from 23.22p to 28.5p with a final of 25p.

FT share

Fitzwilton

Information

The following securities have been added to the FT Share Information Service. Circaprint Hidgs (Section: Elec-tricals) Norhain Electronics (Electricals) Reed Stenhouse Companies (Circa Paril (Inguran)

(Class "A") (Insurance) Sangers Photographics (Leisure)

Thomas Marshall back in profit

2254,000 (f166,000). Commenting on the year the directors say that at Marshells FOLLOWING A reduced loss at halfway, Thomas Marshall (Loxley) made profits in the second six months and finished the year with a taxabla surptus of £353,000, against a £471,000 loss. Refractories it was necessary not only to make substantial reduc-tions in the pay-roll, but also to In view of the problems faced eliminate product lines which in hy this fireclay refractorieo manufacturer the directors say that the profit for the 1988 year the short-term were not remunerative and to institute an

incentive payment system to replace existing piece-work pay-ments which no longer reflected a true measure of productivity. has to be regarded as satisfactory. They point out that the heavy While the works st Lozie

incidence of exceptional costs of reorganisation is now almost over, and ara optimistic about further profit recovery in the incurred s small loss over the full year, it operated profitably in the second half. The improve-ment is continuing in 1984 and current year. A return to the dividend list is being made with a single final payment of 1.2p matching last year's solitary 1.2p interim. although the company still had to face the changing demand patterns arising from new steel production methods coupled with the near certainty of eventual

Earnings per share emerged at 626p, against losses of 12.15p, after a tax credit of £4,000 (charge £193,000) — extra-ordinary dabits amounted to further UK steel closures, the directors are confident that the future of the Loxlay works is not at risk in the medium term

COMPANY NEWS IN BRIEF

Continued growth at SI Group's brewing oriantzted manufacturing subsidiaries resulted in "very satisfactory" The company, based in Ire-results in the interim period land, imports and distributes with group taxable profits LPG, a mixture of hydro-carbon moving ahead 50 per cent from £426,000 to £639,000. Storage tanks, domestic cylin-teriate and resultators Trading profits for the period rose from £540,000 to £768,000 on a £1,64m increase in turnover to £5.48m, and the tarable result was struck after interest payable

*

ders, valves and regulators. Turbover for the period rose to £5.58m (£4.16m). The reduced margins com-hined with the effects of a mild winter will contain profits at approximately last year's level of fil.06m, the figure forecast in

business and say it is expected that most of the profits will be earned in the second six months.

the prospectus. Earnings for the opening half emerged at 1.73p (229p) and an intarim dividand of 0.88p is being paid—a total of 2.2p has been forecast. Pre-tax profits of USM company Flogas declined from 12255,000 to 12210,000 for the half year to November 30 1983 but the directors draw attention to the seasonal nature of the

Computer and Systeme Eng ...

Fleming Fer Eastern Inv Tet ...

Gold and Base Motel Mines ...

(John)

.....

Femall Bectronics

BOARD MEETINGS

Ambrose

Crowther

Finals

Aueimila Truat. Finais: Sentalia. Cierke, li Emese Investmen : Ancher Chemicel Zerdesy, Capero industrice, Clement Edinburgh Investment Truet, Lighting, English Netionel Int, Fab Internationel, Futum, Gould Halans of Participation Lewrence Gould, Helene of London, Mose Bros, Nordin and Peecock, Rush end Tampkins, Thomas Warrington, FUTURE DATES

of £129,000 (£114,000).

Interime: May 23 Base May 25 Sorder & S'them S'helders Tet Aor 26 Concentrio May 16 Finlay (James) Apr 25 Saleguerd Ind Inv May 1 Saleguerd Ind Inv May 1

BASE LENDING RATES

BASE LENDING RATES	bolders of ordinary shares as a "rights." * Issued by way of capitalicollon, §§ Reintroduced. W issued in connection with reorganisation marger or take over,
A.B.N. Bank	Allotanani letters (or fully geid). Il introduction. J. Unlisted Socurilles Market, F. Placing orics, ff Olitical Landon Listing. Otherad os onlas, com- prieing one ord and one N/V A prd. (Each unit comprises S shares and 1 warrant.
Amro Bank	prieing one ord and one N/V A prd. (Encb unit comprises S shares and 1 warrant,
Armco Trust Lid 81% Kingsporth Trust Lid. 10 %	1
Banco de Bilbao Si % Lloyds Bank	TTE SEALANNIA TO THE TOTAL OF
Bank Hapoalim BM' 819 Mallinhall Limited 81%	PENDING DIVIDENDS
BCC1	Dates when some of the more important company dividend. statements may be expected in the next few weeks are given in the
Bank of Cyprus	I following table. The dates shown are those of last year's announce.
Bank of Scotland 81% National Bk. of Knwait 81%	ments except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed
Banque Belge Ltd 84% National Girobank 84% Barclaya Bank 84% National Westminster 84%	will not necessarily be at the amounts in the column headed
Beneficial Trust Ltd 81% Norwich Gen. Tst 81%	Announcement last year."
Bremer Holdings Ltd. 84% People's Tst. & Sv. Ltd. 94% Brit. Bank of Kid. East 84% R. Raphael & Sons 84%	Date ment last. Date ment lost
Brown Shipley	Akroyd & Inchcape May 31 Figal 11.0
Royal Trust Co. Canada 81%	Affied Lyons Jne 1 Final duo Brown June 3 Interim nil
Castle Court Trust Ltd. 9 %	Corp SA. Juce 1 Finel 750 Land Securides May 12 Final 6.55
Trade Dev. Bank 81%	Inv Tst. Apr 14 Finel 440c Laird Group Apr 9 Final 2.1
- Charternouse Japhet 81% Trustee Savings Bank 81%	IndsMay 10 Interim 1.2 Lidyds ond
Citibank Savings 91% United Mizzahl Bank	Ailied Irieh London end Arilied Irieh Morthern May 25 Final 2.5
Clydesdale Bank 81% - Volkskas Limited 81%	ANZ
	20C
Cooperative Bank St Williams & Glyn 3 St S	"Senk of
The of prus optimit ba. of 70 Yorkshire Bank	"Bass
Duncan Lawrie	*Northem
E. T. Trust	*2lus Chrise Apr 22 Finel oll FoodsJuno 20 Interim 2.25 PlessayMay 25 Final 1.945
First Nat. Fin. Corp 11 % † 7-day deposite on evens of under	Boots
Robert Fraser	StoresMay 2 Finel 3.5 Royal Zank of
Grindlays Bank	CountiesMay 25 Final 8 Samual (H) Live 1 Final 4 Co
■ Hamhros Bank	Costar. AllenMay 26 Final 18.05 Semeal ProgApr 26 Interim 1.43 CostfarMay 10 Final 3.3 Semeabury (J.) May 24 Final 3.95 CostfarMay 10 Final 7.0 SeetMay 10 Final 2.1
	Courteuide May 20 Finel 2.25 21mon Eno Apr 25 Finel 9.25
	Cebenhems
Notice of Redemption to the Holders of	"EB
Sanyo Electric Co., Ltd.	RenteleJune 2 Final 2.066 Tames
US\$ 30,000,000	FerviesMey 5 Finel 2.36 RentalsAcr 26Finel 3.0
6¼ per cent. Convertible Bonds 1991	"Feb Inti Apr 24 Finel 1.65 House. May 2 Interim 4.0
	RefuellingApr 27 Finel 1.2 UEI
NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Trust Deed dated 10th November, 1976 between Sanyo Electric Co., Ltd. [the "Company"] and The Law Debenture	National May 10 First 10 0 878Wedge. May 12 Interim 3.025
Corporation p.I.c., as Trustee, all of the above-mentioned Bonds outstanding under the said Trust Deed have been cuted for redemption on 30th May, 1984 at the redemption price of	Warned Variation 19 Los 19
103 per cent of the principal amount thereof, together with accrued interest to 30th May, 1984, amounting to US\$ 31,25 per Bond from which date all interest thereon shall case.	MetropolitanMay 15 Interim 3.875 "Hell (Metthew)Mey 12 Finel 4.944 WintomadMay 17 Finel 2.13 "WintomadMay 17 Finel 2.13
The right to convert the Bonds into Common Stock of the Company will terminate at the	Confidence and Confidence of States and Stat
close of business on 30th May. 1984, the date fixed for redemption. Bonds sustandered for conversion will not be enucled to accrued interest and must have attached the 31st May, 1984	Uncert (C. E). May TD Intel 9.75 * 2 card meeting Intimated. 1 Bights
coupon and all coupons maturing thereafter. Bonds for conversion should be lodged in accordance with Condition 5(B) (i) at the offices of the Conversion Agents specified below on	Thouse of these since made. Thorecest.
or before 30th May, 1984;	Freez Apr 25 Finel 5.3 Board meeting Intimated. † Rights
J. Henry Schoder Wegg # Co. Limited, 120 Chespside, London EC2Y 6DS.	
Banque Generale du Luxembourg,	T I D COURTERING
. 14 rue Aldringen, Luxambourg.	Today's Rates 934%-1034%
The Bonds are presently convertible into Common Stock of the Company at a price of 239 Japanese yen per share. At such conversion price the holder of US# 1,000 principal	
amount of Bonds would receive 1.228 shares of Common Stock of the Company, (using the fund exchange rate specified in the conditions of yen 293.55 equals USS 1.00). The	3i Term Deposits
reported closing price an 17th April, 1964 of the Common Stock of the Company on the Tokyo Stock Exchange was 527 Japanese yen per share. At such a price, the holder of a	Deposits of £1.000-£50.000 accessed for five lowers of 2.10 men.
Bond of US\$ 1,000 proceed amount would receive upon conversion shares having an appreciate value of US\$ 2,852.65. Failure to deliver Bonds for conversion on or before	half-yearly. Rates for deposits received not inter than 4.5.84 are fixed for the terms shown:
30th May 1984 will automatically result in redemption at a price (including accrued interest) of US\$ 1,051.25 for each US\$ 1,000 principal amount of Bonds.	
Bonds for redemption must have stisched the 31st May, 1954 coupon and all coupons	
maturing thereafter and should be lodged at the specified offices of the Paying Agenta;	
J. Henry Schroder Wegg 2 Co. Limited. 120 Chezpside, London EC2V 608.	Deposits to and further information from the Treasurer Investors in Industry Group pic. 91 Witer too Rond, London SEI AXP (01-928 7822 Err. 567) INVESTORS
Banque Generale du Luxembourg,	Choques pupible to Basic of England, a/c investors in Industry Group pic: IN INDUSTRY
14 rue Aldringen, Luxembourg.	
J. Henry Schroder Bank & Trust Company, One State Street, New York, N.Y. 10015.	
The Sundomo Bank, Umiled.	
Avenue des Arts 21-22, Ste. 3, 1040 Brucelles; Immesmanaturasse 14-15, 4000 Desseldorf;	ROTHSCHILD ASSET MANAGEMENT (CI)
Temple Court, 11 Dueen Victoria Street, London ECAN 4TR	St Julian's Court, St Peter Port, Guptinger (MSI 2474)
Switts Bank Corporation, Aenchemorstadt 1, CH-4002 Bester	O.C. INTERNATIONAL RESERVES LIMITED
Paradeplatz 6, CH-8022 Zurich	Australian Dollars
Deled 24ft April, 1984	Danish Kroner Hansk Kroner B.84
Sanyo Electric Co , Uni.	Hong Kong Dollars HKS 100.315 unchanged 3.72 Daily Dealings
	Cany Dealings

ł	28	1		1	84	Strack	Eg	ا من ع	***	-	23	ت
	liétue prjat	Ame.	Renuno	High	Low		<u>8</u> E	-	žá		55	2
	270	100		105 £11		Assoc Brit Ports			8,5 F Q 10a	=	45	
ł	195	F.P.	10/5	193	145	Body Shoo Sp	125	+ 20	61.8	2.2	1,5	86
l	1166		57/4	182	166	BURMETEX LUD	182		b5.0			
	167 25	F.P.	t3/4	205	155	PCPS Computer 20p.	100	;	u1.0			
ſ	100	JF P		102		Camblum Venture 50 O. J. R. Pacific Inv. Tet	100	<u> </u>		ΞÌ	=1	1
		F.P.		48	-27-	Do. Warranta			·	- 1		
ĺ		F.P.		38		Gluff Oli Warrants	29	+1	_ <u></u>	-		
[11	F.P.		128	118	Commerc'iSkWalest		-2 !		8.1j		
t	120		2714	160	133	Connells Estate Agts5p	153 (-2	58.B	B.3	8.0	20
ŀ	1162	F P.			24	Cons.Venture120Write			43.5	10	2.0	uī
			10.5	41		Eng. & int'l Tst. War				21		7
•	- 180 :	F.P	11/5		195	First Leisure Corp. 21	202 ;	+2.1	. u 8.0 ;	8,2	4 B I	13,
	ft 14	F.P.	15/4	147	152		t49		bgdő.B	2.4	3.8	2
	10565			84	20	Fiedgeling Japan 1c.	81	-! {	. – 1	-1	-+	-
,	1-	E P	11/5	85	25	Do. Warrants Havelook Europa 10p Horne (Robert) 80p.	- 294	-1	- 16	22	2 64	-
•	106	F.P.	174	112	85	SHome (Robert) 200	116		bg.16	3.3	3.0	ñ,
		F.P.	17.4	109	78	Do. N/V 'A' 20p	109		12,46	3.5	3.8	ß,
	1130	E.P.	11.6	157	140	-MandowF mProdup		·····	bg5.65	2.7	3.4	12
	125			120	108	+Nth Sea & Gen.Oil El			-	- 1	_	_
	\$52		27/4	80 268	87	Osprey Communic'tos	60		N1.0	-1	0.4	_
•	216	F.P.		268		Our Price 20p	230	_i `í	195.0 (13.3	3.7	1.8	17
	480	F.P.			101 140	Panthereila	516	- 20	. gə.ə	2.0	4. 0	2
_	1.1	'г.р.			263	Plantation & Gen inva	275		4.0	3.1	2.1	18
	1120	F.P.	15/4	155	138	Pistoo intl.	143 i		5c1.66	6.5	1.6.1	11
	160	F.P.			825	Powerline Int'l. 5p.	250	:	bg1.4	3.6†	0.8	Ч.
	150	F.P.		100	90 530	Framco Oli Sor's10p Robertson Res'roh 16p	200	<u>t</u>], <u></u> ;	10.7	D -9.	1.0	
•	475	F.P.	11/5	128	102	+Scantronio Step	120		be1.6	2.0	1.83	ñ
	270	:F.P.	10/4	500	410	Systeme Reliabily 10p	470 ;		93.78	a.e	1,2,2	8
•	143	EP.		102	168	- Tod (₩. & J.100	176	+5 (bg2.5	8.1 :	2.0,2	9,
	-	F.P.	_	36	34	Utd. Biscuits Warrints	eo [101 - 1		_ '	- '	-
		-		_					_			_

FIXED INTEREST STOCKS

1964

High | Low

Snub for Hanson's U.S. bid

By Our New York Staff

Hanson Trust has received clear snub from the board of U.S. Industries, which has responded to the UK group's takeover over-tures by advising sharebolders not to tender their shares for

The board said that it bad decided not to express any opinion over Hanson's tender offer. But it gave s clear hint that it favoured a rival leveraged burget approach by caving that buyout proposal by saying that it "supported management's advanced negotiations" oo the alternative bid.

Hanson's \$23 a share cash tender offer, which values the company at \$469m closes on May 7. 1

The buyout arrangements, however, have not yet been com-pleted, and Hanson has made some play of the advantages to shareholders of accepting a quick cash settlement now. In this context, the board's sugges-tion that shareholders should not tion that shareholders should not sell as yet is seen on Wall Street as tacit opposition to the Hanson offer. and cost reduction.

IMPORTANT CAPITAL invest ments were made by Unliever, all levels was reduced, and at the Anglo-Dutch foods, the year-end the world-wide detergents and toiletries group workforce bad been reduced by in 1983, and capital expenditure amounted to f481m—an increase of f10m over 1982.

Almost half this total—£264m (£258m)—was spent in European Community countries. The projects included reconstruction, modernisation and centralisation of manufacturing facilities for ice cream, frozen desserts, cakes and pastries in the United Kingtion of s new hydrogen plant incorporating the latest tech-nology to replace the existing obsolete plant in the UK.

process of achieving higher pro-ductivity, although the level of absenteeism in some cases is still "regrettably high." Commenting on activities in America, Mr Durham says: "In the U.S. we are concerned that some states are taxing interna-

of ours, oot on the normal commercial profits of the business in "This system-known as the

Projects were also carried out in East and West Nigeria, Turkey, the Netherlands, Belgium and Sonth Africa. Mr Ken Durham, the chairman, says in his annual review that continued fierce competition and conditions of limited growth bave led the group to intensify its efforts to improve efficiency world.

"We very much bope that a solution will be found, ona acceptable to the international trading community.

Profits of Fitzwilton, the Irish investment company, have fallen from 15348,000 to 15295,000 in the six mooths coded December 31 1983, but this is considered "relatively satisfactory" by the directors against the background of their decision to concentrate primarily on long term capital appreciation. The net profit, however, is way

down at £145,000 (£383,000) because of a heavler tax charge -£150,000 (credit £35,000)-resulting from a greater hurden within associated companies. But

In view of the company's strong reserves and asset position the interim dividend is being held at 1p.

Gold and Base Matel Mines ... Hall (Matthew) Lake View Inv Tst Ropper Runcimen (Walter) Stawert Enerpriso Inv Sunlight Service Wire and Plastic Products ... Young and Co's Brewery



897.8 08.60	625	12/7 1 5	778 241	e Orovin TR Ch	nos do Quebiec 1242 Lr. 2020 y of London 112po Deb; 2014	
orice	Amount paid up	Latest Ropunc. date	19 High		Stock	Ciceing price
400 75 F1.95 015 02 450 96 450 908 25 120 80 25 50	P. N.P. P. H.N.P. H.P. H.N.P. O.O.	17/5 10 5 5/4 25/5 18/6 23/5 23/5 23/5 24 23/5 24 24 16/4 16/4 11/5 12/4	67 13pm 493 48pm 88pm	34pn 1281s 305 13pm 016pm 016pm 016pm 478 28pm 14pm 14pm 14pm 14pm 14pm 14pm 14pm 14	A. 8. Electronic Addoorn Inthi, 10p	349m £234e 327 150m 260pm 57 5pm 495 330m 23pm 155 86 49 25

Renunciation dete unusity last day los deallog free of starog duty. b based on prospectus estimates. of Dividend rate peld or payable on cepital: cover based on dividend on full capital. g Assumed dividen yield. u Forscent dividend cover based on providus year's carnings. C Co d and yield based on orospend a or .oth 1.15 1.13sued by tender. B Onered by Issued by way of capitalisedon, organisation merger or take over, duction. At Unilated Socurities isting. Otherad os onlis, com-comprises S shares and 1 warrant.

IDENDS

i et

- 954

Trade Development Bank Holding S.A. Luxembourg

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Trade Development Bank Holding S.A. (TDB Holding) will be held at the registered office of the Company, 13, Boulevard de la Foire, Luxembourg at 2: 50 p.m. on 8th May, 1984 for the purpose of considering and voting

tional companies, including some that state, but on a proportion of the group's worldwide income.

combined unitary tax method-has given rise to strong protests to the U.S. Federal Administration from the EEC and from national and international representative bodies througbout the

- on the following matters:
- 1. Approval of the Chairman's Statement.
- 2. Approval of the Statutory Auditors' report and the unconsolidated financial statements of the Company for the year ended 31st December, 1983.
- 3. Discharge of the Directors and of the Statutory Auditors concerning their duties relative to the year ended 31st December, 1983.
- 4. Distribution of a dividend of US\$ 0.75 per share and the carrying forward of the balance of the profit.
- 5. Election of the Board of Directors for 1984. Standing for election: Messrs. Edmond J. Safra, François Lugeon, George B. Balamut, Jean Hoss; Roger Junod, C. G. Rodney Leach, John A. Waage and Walter H. Weiner.
- 6. Election of the Statutory Auditors for 1984.
- 7. Approval of the consolidated financial statements of the Company for the year ended 31st December, 1983.
- 8. Amendment of the corporate name, and consequential amendment of Article Ooe of the Articles of Incorporation.

By Order of the Board, Edmond J. Safra Chairman

NOTES:

Subject to the relevant resolution being approved, the dividend will be pay able on 1st June, 1984; (i) in respect of registered shares to shareholders on the register as at 1st May, 1984 and (ii) in respect of bearer shares against surrender of Coupon No. 15 to any of the Paring Agents listed below. Any sbareholder whose shares are in bearer form and who

wishes to attend the Aonual General Meeting in person must produce a depositary receipt or present his share certificates to gain admission. If he wishes to be represented at the meeting, be must lodge a proxy duly completed rogether with a depositary receipt at the registered office of TDB Holding at 13, Boulevard de la Foire, Luxembourg, not later than 7th May, 1984 at 5:00 p.m. The shareholder may obtain the depositary receipt and, if required, the form of proxy from any of the banks listed below by lodging his share certificates at their office or by arranging for the bank by whom his certificates are beld to notify any of the banks listed that shares are so beld.

Any shareholder whose shares are registered will receive a notice of the Annoal General Meeting at his address on the regis-ter together with a form of proxy for use at the meeting. The proxy should be lodged at TDB Holding's office in accordance with the above instructions. The remittance of the form of proxy will not preclude a

sharebolder from attending in person and voting at the meeting if he so desires.

The resolutions concerning items t ro 7 of the Agenda may be passed by a simple majority provided that no single sharebolder or proxy may cast votes in respect of more than one fifth of the issued share capital or more than two fifths of all shares represeated at the meeting.

The resolution concerning Item 8 of the Agenda requires a majority of at least two thirds of the votes of the shareholders present or represented, provided there is a quorum of at least fifty percent of issued share capital. There is no limitation as to the number of shares for which any shareholder or proxy may cast votes.

Copies of this notice and of the Annual Report, including the financial statements of TDB Holding for the year ended 31st December, 1983, may be obtained at its registered office, and from any of the banks at the following addresses:

*Manufacturers Hanover Limited, 8 Princes Street, London EC2P 2EN.
*Banque Internationale & Luxembourg S.A., 2, Boulevard Royal, Luxembourg.
*Manufacturers Hanover Bank Belgium, 15, Rue de Ligne, 1000 Brussels.
*Manufacturers Hanover Trust Company, 40 Wall Street, New York, N.Y. 10015.
*Manufacturers Hanover Trust Company, Bockenheimer Landste, 51/55, Frankfurt. *Republic National Bank of New York; 452 Fifth Avenue, New York, N.Y.t0018. Trade Development Bank, 25, Corso S. Gottardo, 68:0 Chiasso, 1. *Trade Development Bank, 30 Minumcot Street, London EC3R 81.H. Trade Development Bank (France) S.A., 20, Place Vendome, 75001 Paris.
 Trade Development Bank (Luxembourg) S.A., 34, Avenue de la Porte-Neuve, Luxembourg. Trade Development Bank, 2, Place du Lac, 1204 Geneva.

*Paying Agent of TDB Holding.

	FI	NANC	IAL :	TIME	S ST	DCK	INDIC	ES		
	Apr. 10	Apr. 18	Apr. 17	Apr. 16	Apr. 18	Apr. 12	12 High	84 Low	Sinco Co High	mpilata Low
Government Secs.	81,69	81.94	62,03	82,05	82,43	22,66	\$3.77	81.68	137.4	48.tB
Fixed Interest	86,51	86.31	86,30	\$6,92	86,42	86.46	87,48	86,58	150,4	50,53
Industrial fird	880,0	868,6	272.2	273,2	695,2	888,6	901,4	770,8	901,4	49.4
Gold Mines	683,2	579,4	673.3	570,5	875.5	570,8	711.7	520,2	734.7	43,5
FT-Act. All-Share	323.65	625.47	584.02	525.02	832,00	555,56	530.00	470.03	633.00	51,92
FT-SE 100	1108.4	1116.8	11110_2	1105,5	1189,1	1117.0	1130.7	997,5	1130,7	997,5

LADBROKE INDEX Based on FT Index 871-873 (-IO) Tel: 01493 5261

بر ا منه الموجل

les

INSURANCE INFORMATION FOR SALLE

The Financial Times World Insurance Report combines the unrivalled accuracy and authority of the FT – with its worldwide news-gathering resources and highly developed research facilities – with the exclusivity, depth-of-detail and conciseness of a specialist newsletter.

Every two weeks, World Insurance Report provides subscribers with exclusive coverage of the world's marine and non-marine property-liability markets. Topics covered include:

 Territorial market conditions

 Class market developments

 Supervision, legal decisions, investment tax and foreign exchange

 Technical developments in reinsurance, broking, agency and pooling

 World company intelligence, including performance and security rating, mergers, new formations, joint ventures and key personnel movements

 To: The Marketing Department, FT Business Information Ltd., Bracken House, 10 Cannon Street, LONDON EC4P 4BY.

 Please send me a sample copy of World Insurance Report together with full subscription details.

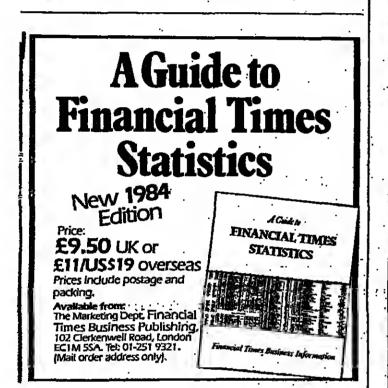
 Name

 Position

 Company

 Telephone

Nature of Business______,



SUN SUN ALLIANCE INSURANCE GROUP

Comments by the Chairman - Lord Aldington

In opening my statement last year, I said that world insurance markets were in a bad way. In 1983, there was a limited change for the better, but only in some areas. In Sun Alliance we have reduced our underwriting loss from £70.9m to £67.4m and at the same ume achieved a small real increase in premiums in a number of sectors of business without departing from the policy of responsible underwriting. Although this reflects an excellent performance by our staff and compares well with our major competitors, it also reflects a far from satisfactory situation in world insurance markets. We can take comfort both from modest signs of better intentions, and from limited signs of action, as well as from our performance in most of the home market; but our reinsurance business has continued to prove how right were my warnings in earlier years and in September last. We have sharply cut back on reinsurance. We expect losses in the future to be much reduced. We shall need much more evidence of longer term recovery before we seek to expand there.

Our investment performance was again good and the markets were favourable. Our solvency margin at the end of 1983 was 125%. The combination of a reduced underwriting loss, an increase in the Life business contribution and an £11.4m increase in investment income led to a profit before tax of £73.4m compared with £56.8m in 1982. I must emphasise once again the strength of our asset position both in allowing us wider opportunities in investment and in giving us a solid base for expansion when the markets make that sensible.

DIVIDEND

The Directors have resolved to declare a total dividend of 56p per share which compares with 48p paid for 1982 — an increase of 16.7%. An interim dividend of 22p was paid in January and the final dividend of 34p will be paid on 5th July next.

Your Directors hope that the strong asset position of the Group will enable them to continue a steady increase in the dividend, even while the world insurance markets remain in a poor state.

RECENT DEVELOPMENTS

There are those who see the long term outlook for insurance and insurance companies as bleak. We do not. For this Group we see a

profitable future with sound growth. Certainly we shall not be able to return to the trading patterns of the 1970's. In those years developments both in the industrialised and third world countries brought fundamental and permanent changes but they are changes to which we can and do respond. New communications technology has opened up new fields in world-wide insurance marketing. Our business has always been international and is becoming more so. Insurance buyers and sellers throughout the world are in almost instant communication and capacity available in Singapore or New York is often as readily available to a London broker as capacity in the City of

London itself. It is not therefore surprising that one of the

rapidly developing areas in our Group is the International Department, dealing with composite insurance programmes for large companies with operations in many parts of the globe. This department, working in conjunction with our companies, branches and agencies all over the world, énables us to respond promptly to the insurance requirements of companies producing an infinite variety of products and services under differing systems of law and trading practices.

Much concern has been expressed about the development of self-insurance and captive

surance and insurance companies c	on cession has admitted	ily in recent
Summary of Res	sults — 1983	3
	1983	1982
Premium Income	Sm	£m
General Insurance	884,8	789.9
Long-term Insurance	294.3	208.0
	1,179.1	997.9
. –		
General Insurance Underwriting H	Result (67.4)	(70.9)
Long-term Insurance Profits	8.5	20.
Investment Income	131.3	119.9
Other Income	1.0	0.8
Profit before Taxation	73.4	56.8
Taxation and Minority Interests	27.4	20.8

energy and space exploration; and there is, in practically all areas of insurance. a growing trend away from cover for specific perils towards insurance against loss in its much wider sense.

It is generally accepted that bad underwriting results have been due largely to competition in a world market awash with insurance and reinsurance capacity, itself created because too many have ill-advisedly put too much reliance on investment income to offset these results. We must, however, be careful not to blame all our troubles on one cause. Over the last few years underwriting performances have slipped and London must accept its duty to lead the industry back to the best underwriting standards. For though many of the conditions have gone which first made London the centre of world insurance, the reputation for trading integrity and professional expertise which remains, and must be maintained, gives London a special place in the insurance world.

LIFE ASSURANCE

We question the wisdom of the Chancellor in abolishing for the future, and without prior consultation with the life assurance industry, life assurance premium relief. The relief was introduced nearly 200 years ago and is as old as income tax; it has provided vital encouragement to millions of people to buy protection and security from their own resources rather than rely upon the State.

The following is a quote from William Pitt's introduction of the Income Duty Bill of 1799 in which, after extolling the virtues of a tax on incomes, he said: ---

"... there is one case which with a view to that class who are really willing to save for the benefit of those for whom they are bound to provide, makes some modification. It is in favour of those who have recourse to that easy, certain and advantageous mode of providing for their families by insuring their lives. In this bill, as in the assessed taxes, a deduction is allowed for what is paid on this account".

We find it curious that a government dedicated to persuading its fellow-citizens to "stand on their own feet" should so arbitrarily abandon William Pitt's principles. This tax concession has admittedly in recent years become a significant feature in some of

the shorter term contracts but we believe the concession should and could have been retained for appropriate long term life and savings policies. It is not usually wise to let the baby go out with the bathwater, just because one does not like the bathwater.

Some of the companies in the Sun Alliance Group had themselves been trading for nearly a century before William Pitt introduced life assurance policy relief, During that time wars, governments and Chancellors have come and gone and we have survived and prospered under constantly changing environments. We shall continue to do so.

CONCLUSION

During 1983 we have been able to achieve a number of the major objectives we set ourselves at the beginning of the year. At home we have won some real increase in premiums and have improved overall our underwriting and marketing performance. In direct marketing we have taken a lead. At the same time we have taken advantage of the latest developments in computer technology and benefited from the reorganisation which was completed in 1982.

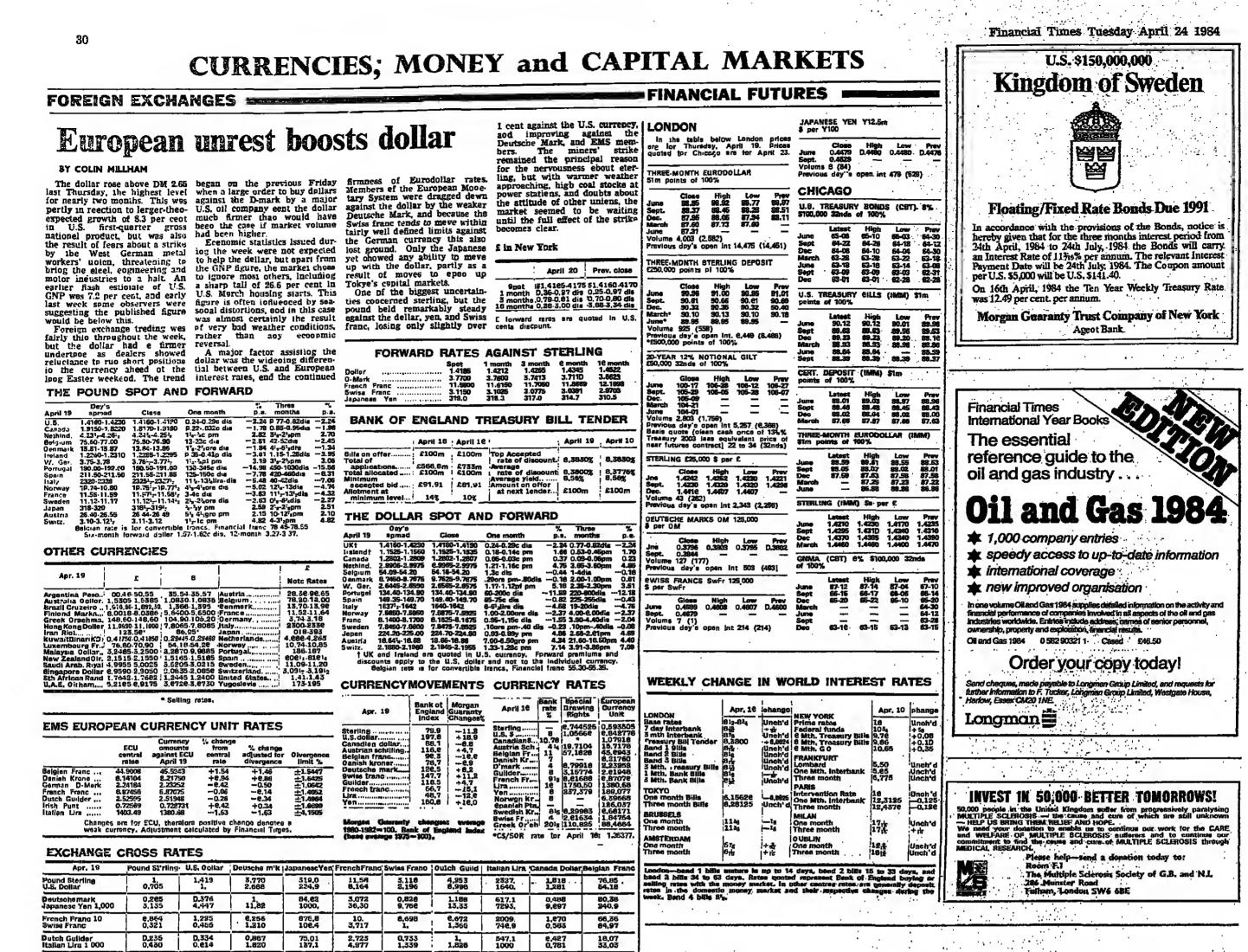
In Europe, Canada, Australia and in several other territories results have been better and in the United States of America, a marked improvement in most classes of business was

Bank of Tokyo (Curacao)-Holding N.V. US\$30,000,000 GUARANTEED FLOATING RATE NOTES DUE 1993 Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by The Bank of Tokyo, Ltd.	 companies. Certainly diese nave nat an impact on traditional insurance markets. They have emerged as a natural development following the growth of industrial companies by merger and acquisition. Much of this development has been logical and healthy; and we acept the challenge to provide viable alternatives or, where appropriate, to provide new services in partnership with industry and other financial institutions. We are encouraged by the way in which the limits of insurability are being pushed ever outwards. We are constantly devising underwrining techniques for new kinds of risk for developing industries like electronics, 	Profit Retained Profit Retained Earnings per Share Dividend per Share	27.6 18.4 93.3p 56.0p	23.7 12.3 73.0p 48.0p	medical malpractice reserving requirements. The wholesale revision of our reinsurance operations has been completed and the action taken has reduced substantially the size of our portfolio. Our Marine husiness continues to be well managed and in difficult circumstances a break-even result was achieved. Our Life business has grown at an unprece- dented rate helped by the changes in tax relief on mortgage payments. We should not, however, allow the growth from this source to blind us to the excellent expansion in other areas of our Life account.
(Kabushiki Kaishe Tokyo Ginko) In accordance with the provisions of the Agency Agreement between Bank of Tokyo (Curaçao) Holding N.V., The Bank of Tokyo, Ltd., and Citibank, N.A., dated October 16, 1978, notice is hereby given that the Rate of Interest bas been foxed at 1175% p.a., and that the interest payable on the relevant Interest Payment Date, October 24, 1984, against Coupon No. 12 will be US358.14. April 24, 1984, London By: Citibonk, N.A. (CSSI Dept), Agent Bonk	T will be	he Annual General Meeting of Sun Alliance held on 16th May, 1984 at the Head Office, I	e and London Bartholomew	Insurance p Lane, Londo	le on EC2.

		Anot Anot	ner year	or progre
to tound the we	orid			
		Important acquisitions		
		represent a major expansion of the		Further year of rea progress envisage
increased by 35.8%			1984 has started	
	demonstrates al	bility ficult	the United States	
	Earnings per share	Earnings per share increased by 35.8% Group again demonstrates a to prosper in dif	Earnings per share increased by 35.8% Group again demonstrates ability to prosper in difficult	Another year at home and g round the world Important acquisitions in North America represent a major expansion of the Group's worldwide business Earnings per share increased by 35.8% Group again demonstrates ability to prosper in difficult

Spiraz-Sarco Engineering pic, Charmon Rouse

.



Canadian Dollar Beigian France 100	0.55D 1.301	0,78e 1,846	2.074 4.906	173.6 415.1	e,371 15,07	1.714 4.0ee	2,340 6,534	1280. 6027.	2,365	42.28
EURO-CURREN	CY INT	EREST R	ATES (Ma	rket clo	sing rate	es)				

Apr. 19	Steriing	U.S. Doilar	Canadian Coltar	Outch Duilder	Swise Franc	D-mark	French	Italian Lira	Belgiar Conv.	Franc Fin.
Short lerm	812-658 812-859 859-854 817-814 91-914 91-914	1058 1058 1010-1051 1058-1058 1040-1115 1175-1155 1175-1155	10.104 10.104 10.3.104 10.3.104 10.3.104 11.115 1140.115	2%.8% 534.5% 5%.6 6.8% 6.8% 6.8% 6.8% 6.8% 6.8% 6.8% 6	112:158 . 254-218 . 317-359 . 317-359 . 315-415 . 415-415 . 416-415	914.038 512.015 038.013 819.556 015.512 015.612	1158-1178 1178-1218 1318-1258 13-1014 14-1414 14-1414	$\begin{array}{r} 143_{4} \cdot 151_{4} \\ 133_{4} \cdot 101_{4} \\ 151_{8} \cdot 163_{8} \\ 151_{9} \cdot 16 \\ 161_{4} \cdot 163_{4} \\ 171_{8} \cdot 175_{8} \end{array}$	1114-1134 11-1119 11-1119	1112-18 1114-1134 11-1112 11-1112 1136-1178 1136-1178

WORLD VALUE OF THE POUND

CURRENCY

nish Kron

Local Fra

Syll

Gourde

Lempira H.K. S

لمحاد

L STERLING

10,80 3,63 11,58 1,4185 1,4185 30,04 112,50 0,3189

7,0925 2,8652 11,0945

65.54:t.

1,422,5

0.4414 1.2280 244 9.3261 978.78

4.8229

912 0,528

N/A 19,375 1,6376

41,57

COUNTRY

am.

ovaliable rate pound sgalmst April 19, 1964. be otherwis rates have of famige are tied, the on retes the ia ao In

STERLING

80,00

(A) 6.9835 11.68 211,70 (CM) 43,76 8,85

50,605

1,6370 26,468 190,78

CURRENCY

french Franc.... Spanish Peseta

E. Caribbe

Npw Peso

Australian #

hifling rtugu'se Es

astio rato, (F) free r perities rtes; (T) ite; (by) tes; (cm) K (ch) C(on direct quotation available; rate; (?) based on U.S. dollar and going starling-dollar re tourist rate; (Bae) baskars' rate buying rate; (Bk) baskars' rate (fp) See Samacial rate; cate rate; (uc) (exC) excl retes; rate: (nom) somi (sg) selling rate. (o) official musi (#9)

Sol

Zioty

Leu

U.S. 5

Somali a Rand Peteta

Zaire Kwac

· •

CURRENCY

Philippino Pero I & Sterling I New Zealand &

Portugu'se Esc U.S. #

Gatari Ryal

French Franc

L Caribbean 8 h. Helena 2 L Caribbean Local Franc E. Caribbean 1

Line

₹ STERLING

19.89

2.1966

156,36

190,75 1,4185

9,107

11,58

(Cm)8.62 (N/C)18.80 .139,83

3.88 1.0 3.83 11.59 3.83 6.55

2,2301 60,56

4,9990

8.87(mg))0.05 2.9620 1.7468

24,90 1,7662 211,70

(A)2,28

7.08 (ag) (A)0.4882 189,7495

50.0e75

÷.,

· - 21 .

8.30 1.6070

€s

5.

Εa

e:

 \mathbb{C}_{2}

 \mathbf{C}_{2}

t a

ς.,

COUNTRY

Pitchirp Islande

omani

undi Arrat

rra Le

omail Republic

£ ...

a

 μ

2.5

 $\overline{}$

12.1

20 C

 $\overline{\ }$

r = 1

 \mathbb{T}^{2}

1000

54 12.

.

Acian 5 (closing rates in Singapore): Short-term 10¹¹₂₄-10¹³₂₅ per cent; saven doys 10¹¹₂₆-10¹³₂₅ per cent; one month 10¹¹₂₄-10¹³₂₅ per cent; three months 10¹¹₂₄-11³₂₅ per cent; inverse in the second s

MONEY MARKETS

Resigned to higher rates

MONEY RATES

Overnight Dna month Two month

Lombard ... Interventio

Aor. 18 1884

Das month...... Two months.... Three months... Six months....

Nine months....

Two years.....; Three years.....;

Four years.....

Dna vear..

Apr, 19

LONDON MONEY RATES

84 8<u>8</u> 84 84

84.8% 82.6% 84.8% 94.9% 96.94

tificate interbank

819-819 84-819 811-819 811-819 91-919 91-919 914-919 914-919 914-919

Local Authority Deposits

up by about no per ceot across the range, but this was et little significance wheo sel against the

UK clearing banks' base lending rate 83-9 per cent (since March 8)

background ef the present dispute in the mining industry. The retes seem to bave settled into a bolding patters, and will prob-ably remain se until the full impact of the miners' strike is known, or U.S. rates abow another mejer move. The last iocrease in the Federal Reserve discount rate and commercial bank prime lending rates was about two weeks ago, but dealers are by oo means con-vinced thet the upward trend Overnight 2 days notice... 7 days or 7 day notice ... 0 ne month... Two months ... Three months bas yet ruo its course

The prediction of Dr Henry Kaufman of Salemon Brethers Six months about prime rates hitting 13} per One year .

FT LONDON INTERBANK FIXING

LONGON INTERSANK FIXING .(11.00 a.m. April 19) 3 monthe U.S. dpilere							
bid 10 15/18	offer 11 1/16						
8 months	U.S. dollers						
Did 11 1/4	0/ler 11 %						

fixing rates are the prithmetic The fixing refers are the prithmetia means, rounded to the nearest pro-sixteenih, of the bid and offersd reles for S10m oucled by the market to five reference banks 5: 11 a.m. cach working day. The banks are National Westminster Eank, Sank of Tokya, Deutsche Sank, Sanque Narionale de Paris and Morgan Guerenty Trust.

Loodon's mpoey market has beceme almost resigned te ao upward meve io iolerest rates, but the timiog remains the sub-ject of considerable deubt. The gilt and meoey markets were both very quiet, lackiog any incentive te trade as U.S. interest rates firmed, and the New Yerk bood market. Sterling ioterbank rates moved up y about rk per ceot across the range, but this was et little

Frankfurt

5.50 5.8-6.7

5.05-5.80 6.70 5.85 5.80-0.95

Paris

184

184-135 184-135 185-125 125-185 125-185 185

12

depo

812-858 811-858

1

Finance | Cert House | of Deposits Doposits

Zurich Amst'dam! Tokyo

Ē

15,55-10,85 873.9 73 18,65-10,75 97, 07, 18,75-10,75 97, 07, 10,75-10,85 04.95, 11,8-11,1 97, 97, 97, 11,15-11,85 91,-10,2

Ξ

914 9.4 914 9.4

10-10-3

1-8 339-34

₽13-012 _____

Compan

742-874

8¹1-878 8¹4 -878 9 919

Pome rate Braksr losn rara

Treasury Blits

One month Two month Three month Sia month

Sie mpnth Ons year

Treasury Bonds

ê.94

Danish

1078-1136 11-1142 1038-1148 1044-1034 1042-11 114-1134

Yon

643-614

Milan Brussels | Dublin 111a-121a

COUNTRY

Ngpria.

Indorta

Argeptin

	Faikland Islands Faikland Is. £ Farce islands Danisti Kroner Fiji Islands	1.0 10 1.4 8.
1e 11-11½ 5% —	France	1 e 1 19
6.09	Gabon C.F.A. Franc Gambia	97 e.0 3.7
8-38 9.61 8.74 6.94	Germany (West) Deutsche Mark Ghana Gedi Gibraitar Gibraitar & Greece	e.7 49, 1,0 14

1-2 3-3 3-3 2-3 2-3 -3 -3 -3 -3 -3 -3 -3 -3 -3 -3 -3 -3 -	4 e-1-6	16 6.1562 18 6.2816 14 -	25 1078-1	74 114 74 114	-1112 1a 12 -1112 19	75-1218 12-1245 14-1918 54-1978 70-1318	Cameroon	
Di	SCOUNT	Houses		Erigible	Eligible	Fine	Colombia	-
ails	Deposits	Buy	(Sell)	Bank Buy)	Bank ISeli)	(Buy)	Czechoslovakia Koruna	-
87a 87a 8 7 3 19	5-842 	813 813 814	8.3 8.3 8.10	3 84 85 85 85 85 85 85 85 85 85 85 85 85 85	850 850	11134411	Denmark	
5 8	nked L posits Do	la Srie		K (Lund	htime)	e	Ethiopia Ethiopian Birr Faikland Islands Faikland Is. £ Faroe Islands Danisti Kroner Fiji Islands	

And the internetion Portuga is cach	10 10.10	Hong hough hours have a
Bahamas	1.4186	Hungary
Bahrain	0.6505	
Baleario isles Spa. Peseta	8 1170	iceland
Bangladesh Taka	36.60	India Ind. Rupee
Barbadaa Barbadaa	9.837	Indensity interested mid. Rupper
Berbados Berbados \$	9,037	Indonesia Rupiah
Belgium B. Franc	((cm) 76.85	Iran
	((fn) 78.50	
Belize	e.987	Iraq Iraqi Dinar
Benin C.F.A. Franc	e 78,75	Irish Republic Irish £
Bermuda Bda \$	1,4185	leraol
Shutan Indian Rupes	19.36	Italy Lira
		Ivory Coast C.F.A. Franc
Bolivia Bolivian Peso	(0) 709,85	IVOIT CONSTANTING OF SC FIRING
Dotewana	1,835	Jamaica Jamaica Dollar
Brazil Gruzeiro #	1,976,63	Japan
Brit. Virgin Isles U.S. S	14185	JordanJordanian Dinar
		Loss and must mainter a discriminati maint
Erunel Brunei \$	2,9620	Kampisches
Bolgaria Lev	1.4280	Kanna .
Burma,	11.80	Kenya : Kenya Shileng
Burundi	165.68	Kiribati
		Korea(Nth)
Camereen C.F.A. Franc	678.75	Korea(Sth) Won
Canada Canadian \$	1.817e	Kuwait
Ganary Islands Epanish Peseta	911.70	
Cape Verde is Cape V. Escudo	118.60	Lace New Kip
Cape verge is Cape v. Escudo		Lebanon Lebanese S
Cayman is ands, Cay, is. \$	1,1821	Lesotho Mejuti
Cent.Afr. Republic C.F.A. Franc	978.76	Liberia Liberian \$
Chad C.F.A. Franc	978.75	
Chile Chilean Paso	125.94	Libya Libyan Dinar
Chine Renminol Yuan	2,9707	Liechenstein Swise Franc
Colombia Colombia		Liotembourg Lux Franc
Colombia Col. Peso	(F) 134.87	
Comoro Islands C.F.A. Franc	B76,7e	Macao Palace
Congo (Brazaville), C.F.A. Franc	_ \$78,75	Madeira Portug'se Escud
Costa Rica	40 01 01	Malagasy Republic MG Franc
COSCE RICELLE	(U) 91.01	Malawi
Cube Cuhan Peso	1,2324	Malaysia
Cyprus	0.78	and and and an an and a second s
	/loom1 9.50	
Czecheslovalda Koruna	n/c 18.82	Maldive Islands Rufiyas
Cardenousoyanda Koruna		Mall Republic Mall Franc.
	(1116.60	Matta Mattere S
Danmark	15,85	Martinique Local Franc
Dibouti Djibouti Frano	25 I (sg)	Mauritania Oeguiya
Dominice E. Garibbean £	3.83	Meuritius
	(0) 1.4185	The Property of the second sec
Dominican Repub' Dominican Peso	(7) 2.42	Mexico
	((0) 84.93	
Equador Sucre	10 44.90	Miquoion,Local Franc
	1151 125 00	Monage Establish

WOR'	1,120,48	South Africe	1.7668
	0.4280	Soain	211.70
		FSDERich borts in	
New Kip	49.5470	North Africa Peseta	811.70
Lebanese S	7.9066	Sri Lanka S. L. Rupee	38.66
	1.7662	Sudan Republic Sudan £ (u)	
Liberian 3	1.4185	Surinam	1.6663
Libyan Dinar	0.4199	Swaziland Liangeni	2.5391
Swiss Franc	911.6	Sweden	1,7662
Lux Franc	75.89	Switzerland, Swias Franc	11,10
		Same	e,119
Patace	11,01	Syria Syrian &	{(A1 (T) 10.0
Portug'se Escudo	190.75		1(OM)6,20
ublic MG Franc	717.80	Taiwan S	
Kwachk .	1.66	Tanzanta	56,45
Ringgit	9.9910	Thailand	17.4712(0
		Tono Semibile	32,68
da Rufivaa	10,7087	Togo Republic O.F.A. Franc	978,7C
Mall Franc.	1,167.6	Tonga islands He'anga	1.0370
······································	.0.624	Trinidad Trinidad & Tob \$	3,4044
Local France	11,58	Tunisia	1.0 0 (99)
Oeguiya	80.95	Turkish Lira	468,04
	10.02D	Turks & Calcos, U.S. 8	1.4185
Mexican Peso	(F)250.00	Tuvalu Australian \$	1.6379
Hexican Peso	(D)288,02		
Local Franc	11,58	Hennel	(43210
French Franco	11.58	Uganda	
	4.75 GD	United States	. 1240 (3)
man, E. Caribbean 6	3.83		1.4185
Dirhan	11.35(sg)		72,97
Motical	(A) 58.77	U.S.S.R. Rouble	9,8140
S.A. Rand	1.76 62	Upper Volta C.F.A. Franc	1,1218
HIMLIN CORE FOR THE	- 1,16 QE	Vanuatu	D78,70
	1.5375	Valican	.136,00
		Contraction of the second seco	2,3264
Nepalese Rupes	22.36	Venezuele	((4) 6.10
	4.9595	Venezuela	15 10.64
Tiles Antillian Delider	2,6301	Vietnam	L (6) 20, e1
N.Z. Dollar	2,1635	Vietnam	(0) 16.89
Cordoba	14,205	Virgin Island U.S. U.S. Dollar	1.4185
C C.F.A. France	978.75		

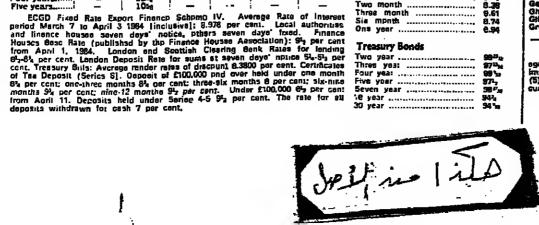
·•• . • . . .

91,	Dominica E. Garibbean £ Dominican Repub' Dominican Peso		Meuritius
91s 94 94 94	Equador Sucre		Miquolon,
	Egypt Egyptian £	110 1.1786	Mongolia
	Equatorial Duinea Ekucta Ethiopia	423,4 (P) 2,9100	Morocco
	Faikland Islands Faikland Is. £	1.0	Namibia S.A. Rand

Equatorial Duinea Ekueta Ethiopia Ethiopian Birr	423,4 (P) 2,9100	Morogeo	11.35(eg) (A) 58.77	Utd. Arab Emitates U.S.S.R. Upper Volta
Faikland Islands Faikland Is. £ Farce islands Danish Kroner Fiji Islands	1.0 16.85 1.4748	Naurg	1.5375	Vanuatu Vatican
Fighand Markka		Netherlands Guilder NetherlandAntilies Antilian Delider	9.6361	Venezuela
French City in M. C.F.A. Erena	079 78	New Zealand N.Z. Dollar	2 1675	Vietnam

Franc	11.68 195 (eg)	Nicarzgua	078 Mt	Virgin Island U.S.
	_	Nigerie Naire	1.088386(sg	Western Samos
FRANC	978,75 6.00	Dman Sul'ate ot Rial Omani	10,7625.	Yemen (Nth)
urk	3,77	Pakistan Pakistan Rupee	18,07	Yeman (Sth) Yugoslavia
che Mark	ê.77 49.93	Panama		
tar £	1.0	Paraguay		Zare Republic
ma	149.10	Landlard warm - Ann will	115 927 9B	Then bes besses

 Rate is the transfer market (controlle ogreement with Egypt and who are not ma imports such as toodstaffs. (3) Non-ess (5) Preferentist rate. (8) free rate for laxu currency by Egyptians worklog abroad. w one official rate. (U) Unified rate. MF. (I) Based on gross rates spainer orts and private sector soplicant. (Applicable Rutation one on ell ble. (1) ra of fMF. : billers (7) Parelici :rate. (8) Rate 1



SECTION IV FINANCIAL TIMES SURVEY

Despite the Gulf War, the fighting in Lebanon, divisions among Arab nations and declining oil fortunes, Saudi Arabia still appears to be in a confident mood and is planning optimistically for the future

Saudí Arabía

to close the Strait of Hormuz and quickly established its own floating reserve of crude oil sufficient to cover about ten days: exports—the period of

A face of calm in troubled region a

about the future as it has at any point during the past decade.

The physical transformation of the Kingdom is still a source of wonder to those who knew the country in the 1960s and before. King Fahd's assumption of power was achieved with the minimum of disruption and as he moves towards completing the second year of his rule the extensive House of Saud looks to be firmly united behind. him.

The upsurge of violence in the Middle East, most notably in Lebanon and in the war between Iraq and Iran, appears hardly to have touched Saudi Arabia. A beavy machine gun mounted on the back of a truck at the entrance to the U.S. Embassy in Jeddah is about the only jarring note in a country pleasantly free from overt security

Whether such external equanimity is reflected in the By Roger Matthews private conversations between leading members of the ruling family must be far more doubtful. Although private doubts are never allowed to emerge and public debate is not encouraged, there are a series of domestic and international issues facing Saudi Arabia which could eventually force uncomfurtable choices upon a Government noted for its caution and conservatism.

The most obvious and immediate danger comes from the Gulf War. Saudi Arabia has no choice but to continue its massive financial support for Iraq and hope that war weari-ness or a change of regime in Tehran may eventually bring Arabia was persuaded that, Irau to the negotiating table: Iraqi attacks on Iranian ship-

Middle East Editor

view is that Saudi Arabia desires neither victor nor vanquished, but officials also admit they see no evidence of Iran modifying its demands ur lessening its attempts to export. its revolution. Saudi officials. believe that

without the Kingdom's aid-now thought to have reached over \$25bn-the Iraqi regime may have been toppled many months ago. Some ufficials also believe that it is a "miracle" that the war has been contained to shut the Strait. within its present geographical limits.

attempt such action, if all its. Earlier this year, Saudi own oil exports . are totally closed off and that is unlikely to happen," commented an The official Foreign Ministry, ping would lead to an attempt official.

However, such a possibility still figures largely in the calcu-lations of Sheik Ahmed Zaki Yamani, Saudi Arabia's longserving Minister of Oil, as be continues to chart the recovery of the Organisation of Petro-leum Exporting Countries from the near disaster of early 1983 when prices looked as if they were about to be forced into a

the beneves that an extended closure of the Strait could threaten the present Opec stra-tegy by again causing prices to rise sharply and would encour-age renewed efforts by the industrialised countries to limit energy consumption. But pro-vided that danger can be avoided Shelk Yamani is anticipating a steady increase in

oil demand, particularly after. His calculations, which form an important element in Saudi Arabia's domestic budget stra-tegy, are that the combination of western economic recovery. still, lower oil prices in real, terms, and a decline in putput

time that the U.S. had said it by several countries including Britain, will provide the King-dom with the upportunity to sustain an untput of 6m barrels. would take to guarantee the. resumption of shipping move-ments through the Strait. The Saudi air force and air a day or more within about defences were simultaneously alerted for a possible sneak three years.

Paradoxically, a swift end to the Gulf war would also threa-. Iranian attack across the Gulf. Despite massive numbers of ten Sheik Yamani's assumptions by releasing an additional ex-Iranian troops still poised for yet another uffensive against port. capacity from these two countries of 2mb/d-Smb/d al-Iraq, Saudi officials now appear less concerned about the threat though the effects on Saudi Arabia as the Opec swing pro-ducer would be partially offset "We believe Iran will only. by the ending of its financial

support for Irsq. Faced by so many imponder-ables, King Fahd appears to have opted for an optimistic

assessment in drawing up a bud get strategy and to utilise the country's external reserves in order to sustain a moderate rate of growth. In the budget announced at the beginning of this mouth, Saudi Arabia is plan-ning expenditure of \$75bn, an increase of \$12bn over the actual spending figure for the previous 12 months.

Revenues have been also assessed rather optimistically at \$62bn which, according to some independent calculations, would require an increase of nearly 1m b/d in oil production beyond the present 4.5m b/d. Alterna-tively it could suggest a willingness to draw down the reserves by more than \$13bn envisaged in the budget.

Healthy reserves

Officials at the Saudi Arabian Monetary Agency are said to anticipate a possible decline in reserves during the present financial year of up to \$20bn. Although this would leave the Kingdom with still very bealthy reserves, of about \$110bn, it is not a trend that Ministers would wish to continue for much longer without more concrete signs of sustained increase in the world demand for oil.

The authorities are seeking in part to compensate for the relative slackening of statefunded economic activity by persuading the private sector to take greater responsibility for the next stage of the Kingdom's growth which is designed to encourage the creation uf a modes industrial base.

CONTINUED .ON. NEXT PAGE



ing Fahd: antering

Industry Oil: output rate defended Jnhail: the home of new industry Petrochemicals: birth of industry

Page 5 Pre-engineered steel: battle for new orders Page 6 Air-conditioning: world's third Page 6 largest market Hospitals: good prognosis for future Page 6

Agriculture: state policies yield rich harvest Page 7



Pligins in Mecca

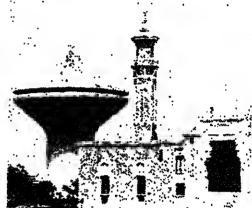
Editorial production of this survey by Mike Smith, Design: Philip Hunt,

Finance Pages 8 and 9 Calm appearance masks fundamental changes in banking; and the growing need for a sophisticated financial system

 \mathbf{I}

Page 3

Page 2



Jeddah Water

Business

IN THIS SURVEY

Page 4

Page 4

a new

Economy

Foreign Policy

Still in good shape despite the decline in national income

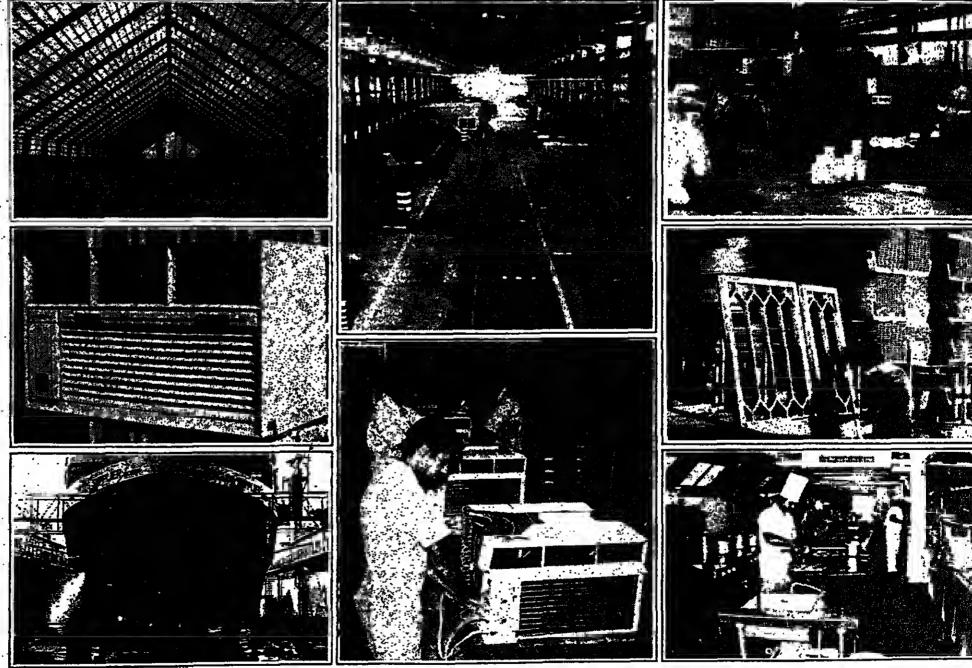
Arab unity is the main aim

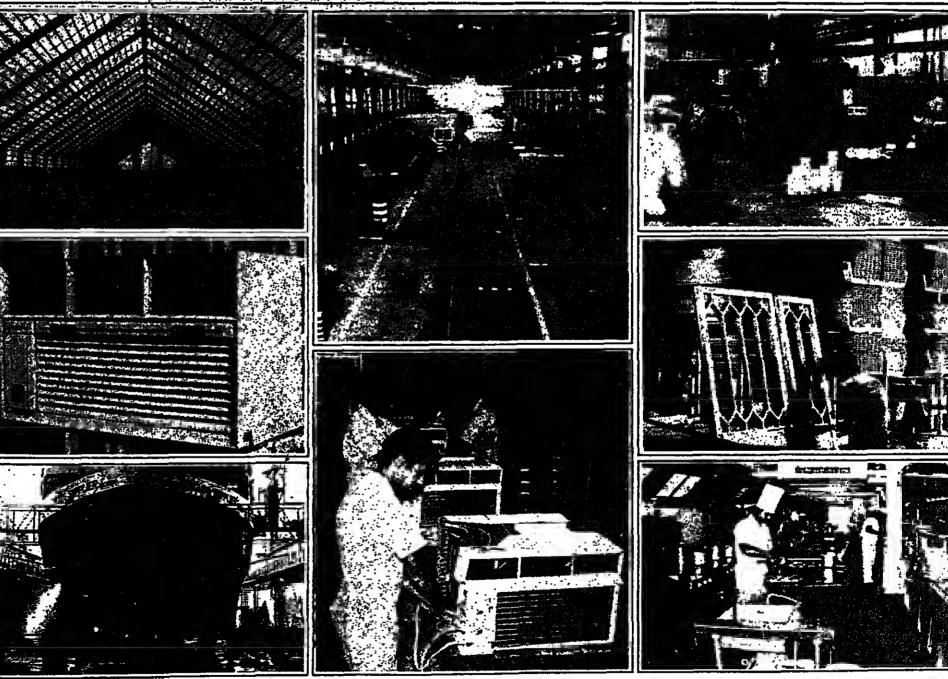
Offset requirements: a new way of diverting foreign funds into Saudi industry Page 10	
Business guide Page 10	
The 30 per cent rule: Government takes a tough line Page 10	

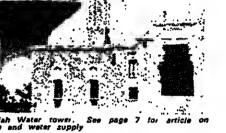
Religion

Shias: relaxation of controls eases the tension Page 11 Islam: a guide to the religion Page 12









to Plastic Containers. ... From Air Conditioning to Aluminium Products.

..From Ship Repair to Catering.

The Al-Zamil Group of Companies is an outstanding example of the dynamic growth in Industry and Commerce in Saudi Arabia and Bahrain.

It is one of the fastest growing organisations in the Middle East with a strong base in manufacturing air-conditioning equipment, steel buildings, aluminium products, plastic products, nails and screws, marble and food products.

The Al-Zamil Group service companies provide ship repair, catering and camp accommodation, travel, core analysis, general contracting and furniture. In addition, it provides a marketing base for the products and services by sponsoring leading world manufacturers.

If you think that our Group can help you in Saudi Arabia, contact Ron Morgan, Group Marketing Manager, P.O. Box 9, Al-Khobar, Saudi Arabia. Telex 670695/670132 ZAMIL SJ

In Saudi Arabia... Al Zamil Leads the way.

Al-Zamil Group of Companies

audi Arabia: P.O. Box 9, Al-Khobar, Saudi Arabia, Tel: 8642567, 8647794, 8951240, Telex: 670132 ZAMIL SJ 3 Bahrain: P.O. Box 285, Manama, Bahrain, Tel: 253445, 257503, Telex: 8381 ZAMIL BN London Office: A.H. Al-Zamil & Sons (U.K.) Ltd., 25, Chesham Street, Belgravia, London SW1, England, Tel: 01-235-9395/6/7, Telex: 299067 SLAVE G Houston Office: A.H. Al-Zamil Co., Inc., 1220 Augusta Drive, Suite 420, Houston, Texas 77057 U.S.A., Tel: 713-9772689, Telex: 795262 ZAMIL HOU Korea Office: Al-Zamil Group of Companies, Taiwha Bldg., Suite 903, 194-27 Insa-Dong, Chongro-Ku, Seoul, Korea, Tel: 724-6081/724-6589, Telex: 27397 ZAMIL SK



any affiliates, from over 150 years superimce in international banking. We have world-wide on the spot —

Aholiandi

п

(SAUDI DUTCH CANK) Heed Office: P.O. Box 6677, Jeddeh-21452, Saodi Arabia, Tel: 869-0536, Telox: 400324 BSHD SJ, Cable: SAUDILANDAHED Jeddeh Swidi John Stock Conquery Capital: SR-210,000,000 Fully Paid. Jeddeh, Riyadh, Domman, Al-Khober, Makkeb, Jubail, Hofuf, Buraideh, Oatif, Abha, Yanbu, Madinah and Hail.

الهملنحي

Albank Alsaudi _ 4 a a li ali ant



SAUDI ARABIA 2



Financial Times Tuesday April 24 1984

Left: Crown Prince Abdullah meets British Prime Minister Margaret Thatcher in Downing Street earlier this year on an official state visit. Above: a Boeing Awac. The U.S. operates four Awacs for the Saudis and Boeing expects to deliver five more beginning in 1986

Arab consensus is main external aim

Supremacy battle

SAUDI ARABIA has a capacity unique in the Middle East, for pursuing close and friendly re-lations with governments which are following policies directly opposed to those of the Kingdom.

Conversations with senior officials in Riyadh or Jeddah are invariably punctuated by the assertion that Saudi Arabia wishes to be on good terms with all countries because this permits dialogue and the oppor-tunity for persuasion while diminishing the risk of confrontation. But it also provokes accusations of weakness, inde-cision and vacillation, especially at times, such as now, when the League of Arab States is leader-less and divided less and divided.

Such accusations stem at least partially from a misunderstanding of Saudi intentions, Under King Fahd, Saudi Arabia appears to regard the achieve-ment of Arab consensus to be the primary requirement of Arabia has been seeking to per-any approach towards solving suade Syria to reopen the Iraqi the problems of the region. Its oil pipeline to the Mediter-own modest policy initiatives ranean but without success. The have been designed around its cost of the elosure is borne assessment of the minimum directly by the Sandis, who since level of agreement possible the early months of the war among the Arab states, Sug-gestions from King Hussein of Jordan that decisions in the Arab League should be taken by the majority find little response in Sandi Arabia,

despite the fact that such a change would work in favour of the policies it espouses.

Saudi officials accept that the consequences of such a policy enable individual countries to veto the will of the majority. only do the Syrians refuse to

Saudi Arabia wishes to be on good terms with all its response apparently gratified the Strait was shut. The saudis, even though they neighbours. This diminishes the risk of confrontation had not made any specific neighbours. This diminishes the risk of confrontation had not made any specinc request. Sandi officials now say with but provokes accusations of weakness, indecision and not expect the Strait to be vacillation

in the region of \$750m a year in payments from Sandi Arabia under the terms of the 1978 Syria has continued to deny the will of the Arab majority over the Gulf war and has also been attempting to bring the Pales-tine Liberation Organisation under its exclusive control. Arab summit agreements. This money was provided initially to sustain Syria's efforts on behalf of the Pales-

Syria'a continuing support for Iran in the war with Iraq dis-mays Saudi officials but has not brought any change in the rela-tionship between Riyadh and Damascus. For over a year, Crown Prince Abdullah of Saudi tinian people following Egypt's withdrawal from Arab confrontation with Israel. Syria may argue with some justification that during the past year it has been the only Arab country successfully to deny Israel's ambitions in Lebanon, but Saudi Arabia also has to accept Sation Arabia also has to accept that part of its annual contri-bution to Syria is being used to frustrate its desire to bring the Gulf war to a negotiated end and to bury the prospects for building on President Reagan's proposals for progress on the Pelevinian issue. cost of the closure is borne directly by the Sandis, who since the early months of the war have been Iraq's most important financial backers.

Current Saudi aid to Iraq, in direct cash payments and in oll sold on Irad'a behalf, it.estix-mated to be running at about \$700-\$800 a year. The reopening of the trans.Syria pipeline, with maximum canacity of about on the Palestinian issue.

There were faw more dis-tressing sights for moderate Arab countries last autumn than the factions of the PLO a maximum capacity of about 1.4m barrels of oil per day, would ease the Saudi financial burden substantially. Yet not Syria in providing material

closed to shipping for more than 10 days, while not themselves advocating any military res-

The ruling family appears to believe that the avoidance of of Mr Yasser Aralat again directly opposed Sandi policy, but the government in Riyadh predictably opted for concilia-tion and avoided any public of Mr Yasser Arafat again alised public utterance bined with more active behind the scenes diplomacy can pay effective dividends and particu larly quote Saudi Arabia's efforts to defuse successive "Syria is an extremely im-portant country in the region

crises in Lebanon. Saudi diplomats are pleased portant country in the region and while we may not always agree totally on all aspects of policy we do have an obligation to that country and we shall continue to discharge that obligation," a Saudi official said earlier this month. "It. is a ing in Lebanon and privately are proud of the skill they demonstrated in escaping largely undsmaged from the confrontation between the U.S. matter of duty to the cause of the Arab nation and everything and Syria. "We value our friendship

with both countries and we hope that both will come to see that the way forward is through negotiation and an acceptance of the rights of the people in the area," commented a Sandi official.

and we will do non-such a prospect". Sandi "Arabla's ability" to demonstrate its consistent sup-port for pan-Arab ideals helps senior Arab diplomat in Jed-the chunter the criticism that is demonstrate is senior Arab diplomat in Jed-dah claimed that his dealings with Saudi Arabia had been the

ponse to Iranian actions.

.

· • •

24

AN

ARACAN P

EW

Constant of

· · · ·

anything but the most gener-

at the containment of the fight-

Frustrating



un Gray Addres (Rudder Gds Nu 2 2 Addres) PO Buk 2002 Allegin, Burker Kassinger Alages TUPKEY Russim PALDI ARADIA Arabit (ALD) Addres Addres Alleging Phone Add BO Disinger Physics (Kato Calari Cones) Add And Disinger Physics (Kato Calari Cones) Addres Addres And Cones (Kato Calari Cones) Addres Addres Addres And Calari (Cones) Addres Ad Audiest P.O. Bra 1194 Abrai SAUDI ARABIA A TEKPEN HOLDING COMPANY

In Pakistan and abroad

United Bank Limited U BI at your service

OVERSEAS NETWORK

With a network of over BRANCHES 1600 branches in Pakistan and abroad which spread from the U.S.A. to the U.K. to the Gulf & Middle East, subsidiaries in Switzerland and Lebanon, joint ventures in Oman and Saudi Arabia, UBL makes sure you are never far from its personalized service.

UK: 15 Branches, Regional Office London, Telex: 888759 **USA: New York Office** Telex: RCA 232576 UBL UR UAE:B Branches, Regional Office Abu Dhabi Talex: 22272 UNITED EM BAHRAIN: 3 Branches, Regional Office Manama, Telex: 8247 PAKBNK BN QATAR: Doha Branch,

Telex: 4222 PAKBNK DH YEMEN ARAB REPUBLIC: Sana'a Branch Telex: 2228 YE

HEAD OFFICE: P.O. Box 4306, Karachi (Pakistan) Telex 2834 UBL PK and 2854 UBL PK-

UBL also has more than 1300 correspondents all over the world.

United Bank Limited

SUBSIDIARIES UNITED BANK OF LEBANON & PAKISTAN SAL. Beirut, (Lebanon) 6 Branches' Telex: 20823 LE UBLP UNITED BANK AG ZURICH Zurich, (Switzerland) Telex: 52093

JOINT VENTURES

COMMERCIAL BANK OF OMAN LTD, S.A.O. Muscat, (Oman) 14 Branches Telex: 5392 COMBANK ON UNITED SAUD COMMERCIAL BANK Jeddah, (Saudi Arabia) Telex: 205332 SAUBAB SJ

1

te such action but ermost for the rebels attemn in the past few months when pect, and continue to receive, ing to overthrow the leadership

Success in manufacturing

CONTINUED FROM PREVIOUS PAGE

pressed for the private sector in the Fourth Development Plan are unlikely to be realised un-less Saudi entrepreneurs can be persuaded to accept more modest definition of profitability.

The latest success story in the transformation of the Kingdom, and one of which King Fahd is particularly proud, helps to illustrate the point. This year, Saudi Arabia is certain to be-come self-sufficient in wheat and may even enjoy a small export-

The fact that the wheat will have cost six to seven times more a bushel to produce than the present international price may make economic nonsense of may make economic nonsense of the exercise, but it has given Saudi Arabia's rulers a sense of strategic independence and political achievement.

The astute Saudi businessmen who moved into wheat production and took full advantage

There are already several ar-amples of successful small-scale available from the Government the social and political fabric of manufacturing but the hopes ex-bave become significantly the country that as providing of all the intercent incentives viewed far in available from the Government the social and have become significantly the country, wealthier in a very brief period, an opportund One even boasts that he has re-covered his entire capital ex-penditure in the first 12 menths other than Is other than Is the country than as providing an opportunity for enrichment of operation.

or learning. No form of religious activity other than Islam is permitted in the Kingdom and the anthori-ties last year expelled several devout Christians for holding Biblic classes in their own homes. Religious leaders have recently heen busy warning Saudis planging in travel abund In the Kingdom's relatively straightened economic circum-stances it cannot afford too many more successes of this nature and somehow must try to lower public expectations. However, this is a path down Saudis planning to travel abroad this summer of the meral dangers which will threaten them and exterling them to stay. which the royal family is under-standably reloctant to walk.

in the Kingdom where they will be safe from temptation. Courage Whether this presages a more For the past ten years wealth has been spread, not always vary equitably but certainly very generally, through the pro-vision of many services free of all charge. in turn, this has prompted excess, particularly in the use of water and electricity, which the government would now like in curb. determined attempt by the authorities to ensure that there la no deviation from the strict tenets of Islam is still unclear, but it also probably reflects the impact that Moslem fundamen-talists are having elsewhere in the Middle East.

which the government would now like to carb. A first tentative step towards the reduction of subsidies was taken in the April I budget with petrol prices being increased by 70 per cent. Petrol remains extraordinarily cheap by Wes-tern European standards, but within a fortnight the Govern-ment felt obliged to issue a warning that it would not toler-ate price rises being passed on As the guardian of the most holy places of Islam, Sandi Arabia is undoubtedly sensitive to accusations that it was less devout than others. Iranian devout than others, framian propaganda broadcasts beamed across the Gulf invariably con-centrate on the alleged excesses of members of the House of Sand and gap which is said to exist between their private be-bariour and their private behaviour and their public ate price rises being passed or to the consumer in other forms d.oz utterance Certainly the present climate of external threats and economic uncertainty at home is unlikely

Public reaction to the petrol increases will largely decide how courageous the government will be in tacking other similar to encourage more broadly-bas Although the budget puts the cost of subsidisation at just over \$3bn in the new financial year,

economists have been warning that this figure could mount swiftly as a proportion of the budget if the population continues growing at its present estimated level of nearly three per cent per annum. According to these estimates. Saudi Arabia's indigenous popu-lation could reach 14m-15m by

the end of the century, lending weight to the need for job crea-tion policies and for an education programme tailored to the desire to reduce the expatriate presence in the Kingdom, Saudi Arabia's heavy depend-

ence on expatriates at all levels of the economy is a constant source of irritation and concern

methods of popular consultation which have long been promised by King Fabd. Little has been heard recently about his sugges-tion for a National Consultative Council designed to extend the channels of communication between the people and the Government, a need which grows

greater as the bureacuracy becomes more complex and demands on the time of the country's rulers ever greater. The authority and legitimacy of the House of Saud have long rested on its capacity to provide

security and prosperity for the people of the Kingdom. There is no indication that popular expectations have so far been disappointed. But should events demand discult decisions from

the country's rulers then they could yet regret the lack of a to the country's religious and more efficient system for sustain-political establishment. Their ing a national consensus on presence and the alien cultures which they claim all present which accompany them are achievements have been built.

Officials in Saudi Arabia single most frustrating experi-describe bi-lateral relations ence in a long international with the U.S. as "very good" career. but admit to "differences" over "I am always being told what

we do, all actions that we take,

have to be seen from that view-

"Our aim is primarily solid-anity amongst the Arab coun-tries which we consider absolutely vital. Our destiny

depends on us being able to, stand together, again one day, and we will do nothing to barm-such a prospect."

point'

stance on the issue.

describe bi-lateral: relations with the U.S. as "very good" but admit to "differences" over the degree of American back ing for Israel. Saudi officials claim that these "differences" are put forcefully to the U.S. aithough international career. "I am always being told what they think I would like to hear, but never is there any sense of urgency, or any indi-cation that they are firmly behind a proposed course of action. The two major issues are more often than not of the moment, Palestine and pleasantly surprised at the co-the Gulf war, are never going to be solved by waiting for a consensus or for something

Washington. The diminution of Saudi better to turn up. Solutions Arabia's importance as a world need imaginative and forceful oil supplier during the past action and sadly there is very oil supplier during the past action and sadly there is very three years and its fear of mili-tant Iran have combined to ever publically support such incitease the ultimate Saudi initiatives." dependence on the U.S. But it is also a mark of Arab Although brave words are spoken about the desire by Arab. Gulf countries to avoid openly. At a time of serious any superpower involvement in the region, it was to the U.S. emphasised by the repeated divisions within the Arab world, the region, it was to the U.S. the tract for the region it was to the U.S. compassised by the repeated postponements of the annual summit meeting, more countries to avoid the arabia that summit meeting, more countries to avoid the annual summit meeting. good its repeated threat to attempt the closure of the Strait of Hormuz. The U.S., along with Britain and France, was asked by Saudi conclusion that public airings of grievances seldom produce

helpful results. **Roger Matthews**



anhaitan PAKISTAN

SAUDI ARABIA 3

The Government has been forced to draw substantially on its reserves but the real income of most Saudis remains unscathed

Economy 'still in good shape' despite decline in GNP

IN THE eight years between 1973 and 1991 Saudi Arabia's by massive and increasing in-come flows from oil exports, quantum jumps took place in foreign exchange earnings, GNP, per capita wealth and import levels. Equally large increases occurred in expenditure on big capital projects in the social field and on general welfare.

The result was a transforma-tion of the economy from nearbow of the economy from near-poverty level to super-affinence. By 1981, Sandi per capita GNP had increased 20-fold to reach \$80,000 a year, the highest of any major country in the world. Saudi export earnings had grown larger than the aggregate export earning of either the African or South American continents, and were exceeded only by three powers, the U.S., Japan and Germany.

i à

I

On the expenditure side, domestic commitments multieconomy expanded at a rate un- plied as dozens of mega projects precedented in the history of were undertaken to transform any major nation-state. Fuelled the Kingdom's communications, transportation, educational, health delivery and public ntility systems to the highest world standards. Everything was done in a hurry with little in the way of cost constraints.

Contraction

After more than e decade of expanding oil income and massive foreign exchange surpluses, the decline in world demand for oil, and the resultant erosion of oil prices, led, in 1982, to the first significant contrac-tion in oil income since the early 1970s. The contraction continues today.

Until recently, the main concerns of "Saudi watchers" were the absorption capacity of the domestic Saudi economy and the ability of the world's finanthat expenditure on projects cial institutions to recycle Saudi Arabia's " excess " funds. These under way are steadily decreasing. have now been replaced by The Government is also be-

questions relating to the ability coming more cost-conscious in awarding construction and serof the royal family to govern effectively with reduced income flows and massive current eccount deficits. vice contracts. A recent example of this new attitude was the cancellation of the large Whit-taker Hospital Administration The Government's reaction to its new problems are decontract shortly after an extensigned to have a minimal im-pact on the domestic private sion to an existing long term contract had been negotiated.

sector economy and on indivi-dual Saudi real incomes. A \$10bn drawdown on the Kingdom's huge \$140hn re-serves during the last fiscal year was recently reported by the Ministry of Finance. A fur-ther \$13bn drawdown has been projected for the current fiscal year. Coincidentally, the Goar The Government exercised a termination clause and placed the contract out for competithe contract out for compen-tive bidding in a significant shift of policy from past prac-tices that permitted contract extensions to be negotiated on a single source basis with the original holders of the projected for the current fiscal year. Coincidentally, the Gov-ernment has not made any commitments to new mega-projects in the last two budgets;

contracts. Much of the necessary or desired infrastructure to trans-form Saudi Arabia into a modern nation-state-with exmodern nation-state-with ex-panding economic oppor-tunities, better provision of bealth care, education and welfare-has been huilt or put

and the latest Aramco Index of Construction Activity indicates

-The percentage of con-

welfare—has been hull or put in place. The absence of new mega project commitments will thus have little direct impact on most Sandis. More directly affected will he the foreign contractors, par-ticularly the South Koreans, who have dominated the large construction projects since the mid-1970s; the labour suppliers and the labourers from the Philippines, Pakistan and other Asian countries who have been the main sources of manpower for such projects; and the exporters of industrial goods and technology, including a number of West European countries who have found large and profitable markets in Sandi

Arabia for their exports. Although the real income of most Saudis is unlikely to be placed in jeopardy by declining oil prices and a lower level of exports, the pattern of the Kingdom's future growth, and in particular plans for major structual transformation based downstream diversification, will face their initial challenge this year.

tract awards covered is de-clining. The Government has been making a concerted effort to break down large projects to a contract size The challenge will be centred on the economic viability of the kingdom's new export refineries range which can be handled and petrochemical plants now by Saudi contractors, and these smaller contracts are coming into production. Con-ceived and started in the years when projected demand for oil and gas led many observers to

.

1

The Mosque at King Khaled Airport. The airport, opened last year. was the latest billion dollar civil project to be completen in

areas outside the Arabian peninsula, and at a time when demand for petrochemicals and most petroleum products was expected to continue to grow at high rates, the projects are now being completed under far different circumstances. Oil and gas are in abundant supply in most parts of the world and only massive cutbacks

in production have prevented more dramatic price declines than have occurred. At the same time, demand for refined products and petrochemicals is just recovering from an un-precedented reduction in world consumption. Depsite the large-scale scrapping or retiring of existing plants, most nations with refining and petrochemical industries remain with large surplus capacity and low levels of operating utilisation.

Saudi officials are convinced that their low cost feedstocks, by 36 per cent by 1985. state-of-the-art technology, and economies of scale in their plants, which will be among the in Japan are being made up by largest in the world, will enable them to be highly price comnew plant construction in other areas. Singapore, for example, petitive. They also point out that projected Saudi Arahlan is just bringing on stream a petrochemical facility which

Sandi Arabia products and petrochemicals. produce ethylene derivatives, is While this is true, Saudi a joint parmership between the Arabian export refineries, when Singapore Government, Singathey are completed, will be in a position to produce 20 per cent of the internationally traded petroleum products (and with their fellow GCC exporters, nearly 40 per cent). sortium of Japanese com-panies beaded hy Sumitomo

Sensible

panles beaded hy Sumitomo Chemical Company. The Singa-pore project is expected to lose money for the first two years and perhaps more, hut the Singapore Government is com-mitted to support it despite the cost. Clearly, it is this level The Saudi Government has long argued that it is more sensible to manufacture petro-chemicals at the source of lowcost basic feedstocks in Saudi of sovereign economic clout which Arahia than to produce such products in a country like Japan which must import its will be the most difficult to overcome in the future, Saudi Arabia's immediate economic problems should not feedstocks, Japan is the King-dom's most important trading partner and has recently heartened the Saudi Govern-ment with the announcement distract attention from the basic economic strength of the Kingdom.

The Kingdom possesses approximately one-quarter of the world's known supply of oil for which the extract costs are that it will reduce its petro-chemical production capacity However, capacity cutbacks among the lowest in the world. It bas in place an extensive extraction, processing and shipping infrastructure capable of producing and exporting over represents the single largest investment in the nation's

holdings that exceed those of any other nation, a stable and well-established government, Singapore Government, Singa-pore private interests, the and a demonstrated social and Japanese Government (through political capacity to adapt to the Overseas Economic Co-poverty when necessary and operation Fund) and a con-affluence when it comes.

competition involving

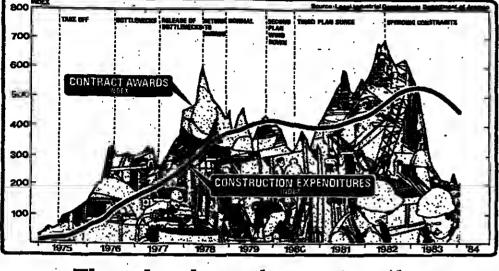
The underlying strength of the Saudi economy and the Government's capacity to adapt to changing circumstances was amply demonstrated in the re-cent budget speech of King Fahd.

ш

Reviewing the past fiscal year, the King pointed out that the economy was in good shape, although the GNP had declined and the Government bad drawn down its reserves by \$10bn to make up the gap between ex-penditures of \$63bn and income of \$53hn.

In this year the Government was budgeting for \$75bn of expenditures, anticipating \$63hn of revenues almost exclusively from oil, and drawing down reserves by another \$12hn. No other nation in the world can look at a rundown of \$22bn so casually; and few bave the financial ability to do so or the political ability to survive such a move if they did.





The slowdown in contracting

1-It is biased towards cover-

age of very large contracts, because small contracts, being

less newsworthy, are not so regularly published. 2—It is blased towards gov-

erument contracts-Aramco

and the private sector do not

systematically announce their

awards. (Aramco accounted

tain built-in biases:

THE CONTRACTS awards index is based on 13 month moving averages. This method is used to smooth out monthly finctuations to some degree and make the index show medium term movements in contracts awards.

The index incorporates the value of all published con-tracts signed by the Saudi Government, Aramco and the

ALKHOBAR 11:04

The new financial centre on your doorstep. With the most modern technology, the best brains in the business and international experience behind us, we can offer you a wide and international investment. Give us a call.

AHMAD HAMAD ALGOSAIBI & BROS. COMPANY MONEY EXCHANGE, COMMISSION & INVESTMENT. Head office: P.O. Box 707 Alkhobar, Saudi Arabia. Tel; 8943556-8943552 Telex: 671111 SAAD SJ Cable: ALGOSAIBI EXCHANGE

AHMAD HAMAD ALGOSAIBI & BROTHERS COMPANY

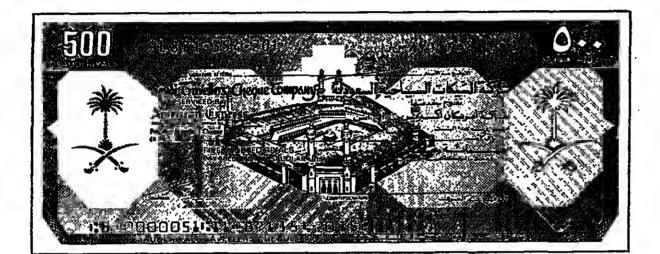


Intermarkets

For convenience and peace of mind take Saudi Riyal Travellers Cheques on your next visit to Saudi Arabia

Available from major Banks and **American Express Offices**

The only local currency travellers cheques issued in the Middle East



عة الشيكات السياحية السعودية ((Conpany) الشيكات السياحية السعودية

PO Box 7915, Riydah 11472 Tel: 4789311, 4789046 Telex: 205419, 205421

TV

ص.ب. رقم ۲۹۱۵ الرياض ۱۱٤۷۲ الماتف: ۲۲۹۰۲۱ + ۲۷۸۹۰۱۱ التلكس: ۲۰۰۵۱۱۹ - ۲۰۵۶۱۹

Financial Times Tuesday April 24 1984

SAUDI ARABIA 4

Richard Johns examines the Saudi role of swing producer

Oil output rate defended

the past year Saudi has remained true to its rooted principles: its to allow other members the Organisation of Petro-Exporting Countries to any say over the level of At nearly oil production. 5m barrels a day its average support from April to December last year was significantly higher than the 5m b/d which members accorded to it the system of quotas adopted in March 1983. practice—a fact which is ignored — Sauti Arabia never subscribed to that

aspect of the pact drawn up to defend the \$29 per barrel refer-ance price set following the \$5 reduction eduction. It has, in effect, erformed the role of "swing ducer" and as such has been biggest single contributor to Opec output over and above the 17.5m b/d ceiling.

the surge in Saudi output the activity of its newly red marketing ann Norbec fully apparent last year, Kingdom was trying to force a further reduction. That would een in line with its intense preoccupation with ensuring that producers and, in particular, Saudi Arabia with ervatively estimated of 165.5bn barrels estimated (nearly a quarter of the esti-mated world total) do not undermine the long-term market for oil.

Iraqi comparison

When last November Oper's market monitoring committee called upon Saudi Arabia to account for its high rate of output the somewhat unsatisfactory response from Riyadh was that the Kingdom could not perform its role as "swing producer" if other members did not observe their quotas and

In addition, the Saudi telex pointed to the oil being produced on behalf of Iraq-some 200,000 b/d since last springto compensate for file con-straints on its exports because of the Gulf war-and crude produced for storage rather than immediate sale so that seasonal demand for natural gas could be met. Apart from that reference to

the reasons for placing over 50m barrels of oil in chartered tankers, an operation which began last November. At the outset of it, the word was put out that the oil was being placed in the vessels because of the temporary shutdown of two oil telds, Zuluf and Marjan, while they were being tied into the Master Gas System (MGS) (which is in the second phase its expansion).

Of its explanator, Obliquely and not very con-vincingly Riyadh has sought to give the impression that the floating stockpile is not related to the possibility of a supply crisis resulting from the Gulf conflict. The market has little conflict. The market has little doubt that it has been built up to guard against the closure of the Strait of Hormuz. In the meantime, having run at nearly

6m b/d in the second half of 1983 Saudi output of crude declined to less than 4.5m b/d in the first quarter of this year. While insisting on its role as Oper's "swing producer," Saudi Arabia also justified its high rate of output to other members by insisting that it was needed to prodoce the minimal amount of associated gas required to fuel its power stations and desalination plants, on the one hand, and hydrocurbon-based in-

dustries, on the other. As it happens, the Eastern Province did suffer a serious failure of electricity supplies in July, a month of peak consumption, of last year. The evidence is, bowever, that it was caused by a technical breakdown. The installation of twin and triple fuel capacity for power generation and desalination has gone far in the Kingdom. Moreover,

there were no diministration was in the year when ontput was down to little more than 3m b/d. The actual volume of gas prothere were no difficulties earlier duced depends on the "mix" of Saudi crudes with the lighter varrieties yielding far more. Whatever the obfuscations over output recently, the general understanding was that a rate of no more than 5m b/d would be sufficient even when all the big gas-consuming industries come on stream in 1985-86 with the proviso that there could be a shortfall of methane.

That and also the possibility a complete disruption of oil

associated gas in the deep Permian Khuff zone located in the oil-bearing zones of the giant Ghawar field.

Exploration and devi have progress ed well Most of the wells are expected to be completed by the the drilling programme should be completed by city of 1 ba 1985 giving a cape cubic feet per day of non-as ciated gas. According to some anthoritative reports, when con version of utilities and fadus trial plants to other firing systems is complete the volume in 1986 should be sufficient to provide for the Kingdom's gas

Second phase

ds even if there

The second phase of the MGS was completed in 1962 at a cost of \$10 bn with a capacity to process gas associated with out-put of 7.4m b/d from the Ghawar, Abquiq, Berri, Dam man, and Harmaliyah fields pro ducing rather more than cfpd of sour gas..

From this the system can pro duce 375m cfpd of sthane as feedstock for petrochemical, projects; 2bn cfpd of methane or the fertiliser and m plants as well as fuel for basic water de of natural gas liquids (NGL); and 3,700 tonnes per day of Sandi. Arabia's po tion as the world's leading erport Liquid Petroleum Gas. Work is continuing on G

second phise, MGS, IL, which involves tying in northern offore fields and is scheduled completion next year. ing overall is designed MGS flexibility of supply raise overall capa the The other vital de in the oil and yas a ctors is the of -Seud experts of bedned products. nem. few

gas requirements, little light production prompted three years between Petrolin, the state of has been thrown officially on ago the serious search for un- corporation, and foreign corporation, and for partners start operations.

First off the mark will be the 250,000 h/d Petrolin-Mobil refinery at Yanbu, which is achieduled to come on stream in August. The 250,000 b/d Petromin-Shell facility at Jubail is set to be in Decen er. The 325,000 b/d Rabigh on the Red Sea in part nership with the Greek concern Petrola should be coust July 1985. The dires projects will more or less triple the Kingdon's export mapacity.

1

Cutrently capacity is trated in Aremco's orientated refinery last year operated at 97.5 per cent of its 450,000 b/d capacity It is under

Petromin is well advanced in lving its strategy for marketing its 50 per cent share of the output. It is evidently planning contracts related to open mar-fiet prices quoted daily in Platt's

Olleram. The state of corp erimented with a system whereby under one form o with options, prices would on government estrolish he overwhelming in a market-orientated approa . A hundred or so companies est. The foreign partners inter it seems, will on the same basis and also will

profit on their half share on the return on the investment which on a discounted cash flow basis, should be over 15

Becently Sheikh Ahr Yamani, Minister of Oil, indicated that the Government was planning to reorgani and gas industry by the creation of a state corporation covering all aspects of it on the model of the Kuwait Petroshandoned about 10 years ag its ambition (first announced in 1972) to move into refining and Saudi Arabia marketing abroad has as yet made no discernible

Carla Rapoport reports on industrial development in a new town

Planned City of JUBAIL

Wheisheddine new light on Saudi Arabian Banking ?

The Saudi Investment Banking Corporation (SISC). SIBC is the Businessman's Bank in Saudi Arabia.We provide a comprehensive range of commercial and investment banking services to our corporate, institutional and personal banking chents

Short and Medium Term Finance. Loan Syndications, Letters of Oredit and Guarantee. Foreign Exchange. Call and Time Deposits. Lease Financing, Cash Management. Personel Banking and Fiduciary Investment Services,

Backed by a wealth of national and international expertise and the most advanced technology SIBC's innovative banking products and services are tailored expressly for your business needs in Saudi Arabia

Learn more about us. Contact: Antony E. Aston. General Manager, Riyadh. Telephone: (01) 477-84\$3. Telex. 201170 SIBCOR SJ.

الشردة المصرفية السعودية للاستثما The Saudi Investment Banking Corporation

The Innovator

Head Office and Rivadh Branch: P.O. Box 3533, Rivadh 11481 Jeddah Branch: P.O. Box 5577, Jeddah 21432 Al-Khobar Branch: P.O. Box 1581, Al-Khobar 39152

the home of new industries

Jubail,

"TEN OR EVEN five years ago, talk of industrialisation in the Kingdom of Saudi Arabia was passionate talk, out of science fiction," Dr Mahsoun Bahajt Jalal, a prominent Saudi economist and director of both Sabie and Saudi International Bank, said. Today, however, the seeds of

industrialisation have been planted and Dr Jalal is among those nurturing their growth.

The most visible signs of industrial development are springing up in Jubail, a new town just an hour's drive up the Gulf from Damman. Here, next to Sabic's new pet-

Here, next to Sabic's new pet-rochemical plants, new com-munities with housing and parks and beaches are being built to attract workers and busi-nesses to the area. The sim is to have a new local industry turning Sabic's petrochemicals into industrial and domestic space and a new for of some goods and a new city of some 350,000 people by 2000, So far, Saudi businessmen are

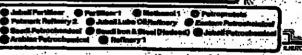
So far, Saini Jushiesamen are moving slowly on committing themselves to Juball, walting for the actual start-up for most of the plants scheduled for next year. But a major boost to those considering the expansion of their businesses arrived earlier this year in the form of the National Industrialisa-tion Company (NIC).

tion Company (NIC). The NIC, with an initial equity base of SR 600m, will promote joint ventures between local businesses and overseas partners to boost the local manufacture of a wide variety of goods, including motor vehicles, drugs, capital goods and industrial and domestic plastics. It aims to attract

plastics. It aims to attract capital investments worth \$2bn over the next 15 years. The chairman of NIC is Dr Jaial, who recently announced

that the coulty capital for the group had been almost entirely subscribed by Saudi business-

COMMUNITY 100 relation of the INDUSTRIAL AR HOUSING Green Belts INDUSTRY Infrastruct



"We don't want to make gering because health care here panies in Saudi Arabia. Why everything from pens to is free," he says. can't a number get together rockets," said Sheikh Al-Zamil. "We should make things of good quality here and buy them. province to make a variety of st. it at for their quality, not just because they are made in Saudi Arabia. We have to compete with imports."

Fertile ground

If CTLIFE grounds Mr Saleh Toaimi, an investor comes from Germaby, we spend in NIC and head of Riyadh's 1 nivel on the water and sait Chamber of Commerce, ways in the glass and 85 rival on the that there is fertile ground for glass! I'd rather see this kind that there is fertile ground for glass! I'd rather see this kind that there is fertile ground for glass! I'd rather see this kind that there is fertile ground for glass! I'd rather see this kind that there is fertile ground for glass! I'd rather see this kind that there is fertile ground for glass! I'd rather see this kind the come to our business-men," says Mr Abdulkader. Like members in NIC and Sabic, in the past five years, to 30,000 Mr Abdulkader was educated in the U.S. and holds degrees in business administration.

subscribed by Saudi business-men and banks. In the meantime, Sheikh Hamed Al-Zamil, president of Zamil Brothers, a major privately-held Saudi company, sald in a recent interview that his company is considering six or seven projects for the

SAUDI

ARABIA

sering because health care here panies in Saudi Arabia. Why can't a number get together and become General Motors? The company will be building a plant in the central province to make a variety of generic drugs, but it is size thinking of building plants to make medical equipment and glassware. He bokis up a small glass philal of salite solution. "This come to Saudi Arabia, but not for a while," be says.

These efforts are likely to be encouraged by the Kingdom's Fourth Development Plan. Under the proposed plan, there will be a number of initiatives aimed at the private sector, which includes allowing the private sector to operate, manage and maintain many of the utilities operated by the Government, establishing com-mercial courts, notary public

Hamed Al-Zamil, president of Zamil Brothers, a major privately-held Saudi company, sald in a recent interview that his company is considering six or seven projects for the Juball site, some with joint venture partners, some with joint Two are already under way, he said, and will aim to supply the electrics sector.

in the state of th

POLIC

٩

Y aircra ded



Saudi Methanol Company's plant, one of the many projects scheduled to come on stream next year. It is jointly owned by Sabic and a Japanese consortium headed by Mitsubishi

All eyes on the petrochemicals launch

The projects listed in the table should all be onstream by the end of next year. They we are importing their cars, aim to turn Saudi Aravia's their machines, the only thing their cars, as a waste-product, into a wide range of chemicals and plastics, equivalent to around 5 to 7 per cent of the workd's demand for perrochemicals.

For the world's chemical industry, the arrival of a new competitor could not have come at a worse time. In Europe, in. particular, over-capacity is still putting pressure on profits and prices. Even in the U.S., where freedstocks are cheaper and overcapacity less of a problem, major petrochemical producers are still not producing a satisfactory return on capital. The result of the industry's

weakness has been talk of proover the next few clearer months, but already the Saudi projects, is readying a spirited only np to the relevant quota defence. or ceiling.

SAUDI ARABIA will be facing Sheikh Abdulaziz Al-Zamil, some of the world's toughest chairman of Sabic and Sandi business challenges from day Arabia's Minister for Industry, business challenges from day Arabia's Minister for Industry, one of its entry into the ranks says: "When a new plant goes of the world's leading petro-chemical producers... The projects listed in the plants are on-time and are table should all be onstream creating a threat to the world. by the end of next year. "hey We are importing their cars, aim to turn Saudi Arabia's their machines, the only thing natural gas. previously flar al we have here to develop are

output.

"In order (for us) to con-tinne importing these things, they should buy our products." Sheikh Abdulaziz Al-Zamil has even argued that Saudi Arabia should not have to pay a 12 to 14 per cent tariff on its imports to Europe, as the King-dom is a developing country. However, even those countries and companies committed to fighting protectionism have balked at the idea of reducing taniffs.

Preference plea

None the less, Saudi Arabia has recently applied for duty free access to the EEC under tectionist tariffs both in the has recently applied for duty EEC and the U.S. The resolution free access to the EEC under tion of these talks will be the community's Generalised Scheme of Preferences (GSP) which imposes quotas for imports of specialised materials Basic Industries Corporation, imports of specialised materials Sable, the government-con- from developing countries. This trolled agency which is would mean that Sandi exports developing the petrochemical would enter free of duty, but

If this application is accep-ted, the volume of duty-free application is accepimports into the EEC expected to be quite small, According to Chemical Insight, the London-based chemical newsletter, duty-free imports of linear low density polyethylene would amount to little more than 1 per cent of total Saudi

> In the U.S., the debate over tariffs on Saudi imports is beginning to hot np. U.S. congressmen from petroleum pro-ducing states are saying that the free market in this case isn't necessarily the fair

market. "The issue bere is subsidies, not protectionism," says repre-sentative Gillis Long, a Louisianna Democrat. "The subsidies we are deal-

ing with couldn't be more obvious. Some foreign countries are essentially giving away the oil and gas that are used to produce petrochemicals."

produce petrochemicals." These subsidies refer to the rock-bottom price of 50 cents per million BTU which the Saudi compares with a West Euro-per million BTU and with a U.S. average of \$3,30 to \$3.50. So far, the U.S. industry spokesmen have been less gain unhinder major. world n dom's new pro-to prove theme ing it. The co produce around when the pl is to provide p to both Sabic a to both Sabic a

SAUDI ARABIA 5

SABIC PETROCHEMICAL, MINERAL AND FERTILISER PROJECTS Per cent Marketing Estimated Completion Completed Capacity/year Project Nathe Shareholders Location Contractor Cost Date 12/31/83 Feedstock Products (tonnes) Sabic 50% Pecten (owned by Sandi SADAF Jnbail Fluor Engin- \$3bn Late 1985 78% Ethane Ethylene 656,000 Petrochemica cering by Braun, Badger Ethylene Dichloride Sait Benz Shell Oil) 50% 454,000 295,000 and Dravo Styrene Crude Ind. Ethanol 281,000 377,000 **Caustic Soda** Saudi Yanhu YANPET Sabic 50% Yanha Bechtel \$2.5bn Larty 1985 78% Ethane Ethylene 455,000 Petrochemica Linear Low Density Company Mobil 50% Polyethylene 205,000 High Density Polyethylen Ethylene 90,000 220,000 Glycol Jubail **KEMYA** Sable 50% Jubail Fluo \$1.1bn Early 1985 85% Ethylene Linear Low Petrochemical Density Polyethylene Company Mobil 50% 260,000 Saudi Methanol AB-BAZI Sable 50% Japanese Mitsubishi Jupel Chemical Grad Methanol Onstream 1009 Methane Company Heavy Industries 3/83 600,000 Consortium led by Mitsubishi 50% National IBN-SINA Sabic 50% Celanese and Juball C. F. Braun \$500m Methane Late 1985 86% **Chemical** Grade Methanol Methanol 650,000 Texas Eastern 50% Сотралу Arabian Petrokemya. Sabic 100% Jubail Chiyoda \$1.5bn 1985 14% Ethane Ethylene 500,000 Petrochemical Company Eastern SHARQ Sable 50% Japanese Jubail Chiyoda \$1.5bn Mid-1985 27% Ethylene Linear Loy Petrochemical Density Company Consortium led by Mitsabishi Polyethylene Ethylene 130,000 300.000 Glycol National Ind. Gases Company Saudi Private Sector GA8 Jubal N.A. N.A. 45% 1985 1,290,000/day 400,000/day Air Oxygen Nitrogen Jubail SAMAD Kellogg and \$350m REDEC-Sabie 50% Juball Onstream in 100% Methane Urea 500.000 Fertilizer Taiwan early 1984 Fertiliser 50% Company Daelim Saudi Arabian SAFCO Saudi Private Daman Built in 1960s N.A. 1970-Urea Sulphuric Acid Melamine 330,000 100,000 Methane Fertiliser Sector 60% expansion in Saudi 40% Company 1980 20,000 Saudi fron and HADEED Sable 90% Korf-Stahl 5% Lurgi, Vorst, Alpine, Jubail \$850m Onstream **Rods and Bars** 100% Iron Ore 800,600 Steel Company early 1983 Limeston

West German Demag Natural gas Government 5% Scrap Iron Sabic 60% Korf-Handel 40% Jeddah Steel SULB Jeddah Expanded in 100% 1981 Built in 1960s N.A. Steel billets **Rods and Bars** 140,000 Rolling Mill Company

aggressive than the politicians. Mr James O'Connor, an execu-tive at the Chemicals Manufacturers Association, said that U.S. firms don't support the concept of calling feedstock a subsidy because it is technically natural resource of the

a natural resource of the country pumping it. But even if Saudi Arabia does gain unhindered entry to the major world markets, the king-dom's new producers have still to prove themselves in market-ing it. The country expects to produce around \$3bn to \$3.5bn worth of chemical products when the plants are fully onstream—a sum which merits onstream-a sum which merits a mighty marketing effort if it Is to provide profitable returns to both Sabic and its joint ven-

world prices and not attempt to undercut the market in order to gain access. But prices for a number of products, like methanol, for example, are still at unacceptably low levels even

for low-cost producers. This situation has led a number of leaders within the industry to predict that Sabic's industry to predict that Sabic's joint venture partners will be losing money on their invest-ment, despite the low feedstock prices. It seems increasingly clear that the burden of mar-keting as much as 80 per cent of the new plants' output will fall to the joint venture part-ners, as opposed to the 50:50 split envisaged originally. Custioning the joint venture

they agreed to participate. The Sabic projects are being financed with a 70/30 debt to equity ratio, with only 10 per cent of the total being raised by conventional bank loans, The remaining debt is provided through Saudi loans, with no interest required from the joint venture partners for five years tonnes in 1990. This domestic market is now supplied by imports from Western Europe, Japan and North America. after the plant starts. Even then, the interest payable will range between 3 to 6 per cent, depending on the profitability

of the plants.

Domestic demand

The joint venture partners with privately-owned Saudi complit envisaged originally. have also received crude oil Cushioning the joint venture purchase entitlements, but these panies. Both Imperial Chemical Industries and Dow Chemical

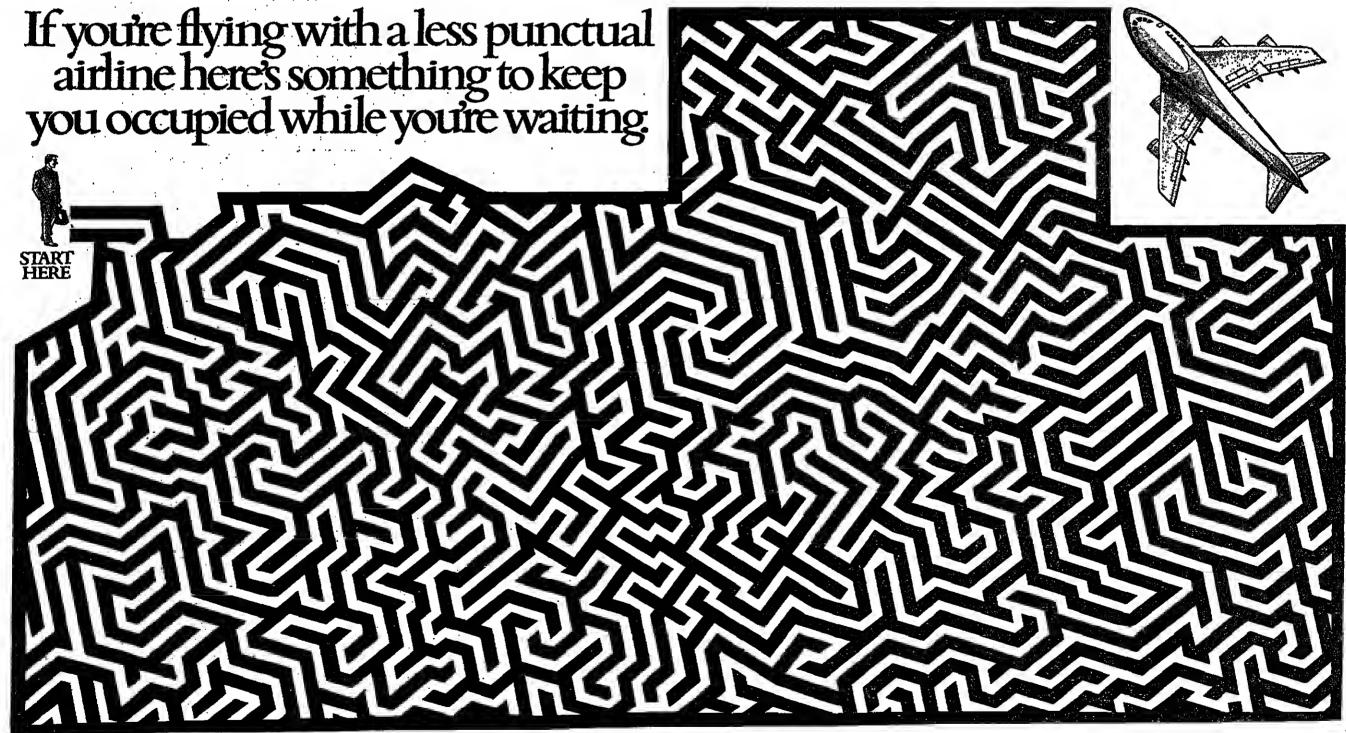
Sabic bas repeatedly stated partners, however, will be the will only become available if have announced small down-that it will sell its products at fairly easy terms upon which the price of Saudi crude rises stream projects. In ICI's case, above \$29 per barrel again. the group has gone into a joint For Sabic's part, the domestic demand for plastics is expected to double by the end of the decade, pushing up the demand for polyvinyl chloride (PVC). for example, from 100,000 tonnes in 1933 to nearly 190,000 tonnes in 1900. This domestic

venture with a local company to build a \$7m \$,000 tonnes a year polyurethane plant in The Saudis are less interested

V

in joint-venture deals which do not involve capital investment in the country. A number of the large petrochemical com-panies which are not involved in the Sabic projects are anxious to help Sabic market their pro-Companies who fear the ducts, but the successful comeffects of losing their markets to new competition are being pletion of these negotiations, it is understood, will require fairly substanial capital investment in encouraged to propose down-stream joint-venture projects Saudi Arabia.

Carla Rapoport



boring business. But the answer to the problem's quite simple. Fly Saudia.

You see, Saudia use only the very latest aircraft and the most modern maintenance

Waiting for a plane to take off can be a facilities so we minimise the chance of delay. And whichever airport we fly from, Saudia aims to get its planes airborne quicker than anyone else.

In fact we've succeeded.

Over the last year Saudia planes took off quicker than those of any other airline, with over 95 per cent of aircraft on time. If you haven't flown Saudia, what are you waiting for?



SAUDI ARABIA 6

Private sector industries

TWO CASE studies below and right by Michael Field high-light successful industries developed by the Saudi private sector. Most private Saudi industrial plants built so far pro-duce simple items such as building materials and carbonated

beverages. The two industries here are exceptional in that they pro-duce high value, sophisticated items and have achieved a high degree of integration in their manufacturing processes. They have also brought the Kingdom to self-sufficiency or near self-sufficiency, in the products they make.

dom.

perature, more dust and more saline bumidity than is normally experienced in the U.S.

It also has the advantage of being managed by a family which has dedicated itself to developing successful indus-tries. Together with the Juffalis, Suliman Olayman, Omar Agrad third biggest market for unit air-conditioners—the type of machine that is fitted into the wall of a building rather than being pert of e central system. In 1980-82 the Kingdom was installing just under 900,000 air conditioners a year. Now the market has fallen to rather over Suliman Olayman, Omar Agraa and, on a smaller scale, the younger Alirezas in Xenel. Industries, the Zamils are the most active investors in sophis-ticated private sector industrial projects. Unlike almost all other investors they are involved only in industry. They do not have importing or conmarket has failen to rather over 500,000 units and may drop a bit below this figure before it levels off at the end of this year. Even at the lower level the country will still rank only after the United States and Japan as do not have importing or con-tracting operations to distract them, or help fund their pro-

Integrated.

About half the present level of demand is met by three Saudi companies; Al-Zamil Refrigera-tion Industries (ARI), which is wholly owned by the Zamil family and produces Friedrich ARI has become highly inte-grated. Because the Zamils, un-like the Juffalis, had not imince the suffairs, had not the ported and sold air-conditioners before they began manufactur-ing they bad to establish their own marketing operation from scratch. This was a common cause of problems for other. units, the Netional Factory for Airconditioners owned by the Al-Eassa family, which produces Gibson units, and the Saudi Airconditioning Manufacturing Company, e 70-30 Jugali-York (Borg-Warner) venture in industrialists in the same posi-tion in the late 1970s. Investors frequently put huge effort inta developing the technical aspects of manufacturing and There are plans for e fourth

imagined that marketing opera-tions, which cannot be assisted by Sandi Industrial Develop-ment Fund loans, would look company, to be owned by the Dahlawi family and the Japanese company, Daiken. Much the biggest of the existafter themse fter themselves. Upstream, ARPs integration

save

ing companies is ARI, which produces 500 room units and 35 central systems a day, in a has gone further than is normal factory on the Dammam indus-trial estate. It is the only one in air-conditioner factories in America and Jepan. This is of the companies to have gone into central systems. The Al Eassa and Juffali plants are each making about 200 units e partly a matter of force majure cannot draw on the range of support services and products that are available locally in Western countries. In other day.

Dominant

Teddah.

AIR-CONDITIONING

World's

biggest

market

SAUDI ARABIA is the world's third biggest market for unit

an air-conditioner market.

EQUIPMENT

third

ARTs domination of the market has come ebout mainly through its being the longest-established of the three companies. Its plant began pro-ducing in the 1970s, and for several years had the advantage of being the only local manu-facturer in an extremely strong market. The Juffali-York factory only started proper production (as opposed to assembly) in June last year.

exchangers from imported copper pipe and aluminium fin. It produces steel casings from imported plate, and a sister company, Zamil Plastics, makes The Zamil plant has its own extensive development and the fronts and some other margin plastic parts. It makes its own figures. testing facilities and turns out a unit geared to a higher tem-

Government's third five-year plan provides for 36 new

hospitals and 1,125 health centres

Hospital building plan

- industrialists in Sandi Arabia

ways the Zamil brothers say

they have integrated only to

As it stands now, ARI is one of the most integrated of all. Saudi industrial companies, and gives a good indication of which.

types of processes are economic

and which uneconomic to per-

The company makes its heat

form in Saudi Arabia.

ALL OF THE pre-engineered steel buildings put up in Saudi packagings from local supplies Soon the company will begin using steel call to make its Arabia are now produced in the Arabian Peninsula. casings, as the smaller, less integrated Juffall plant does already. It also intends to pro-duce its own copper tubing from imported bars, and it is motions on substituting when The market, amounting at present to about 10,000 tonnes a month, is divided between Zamil Steel, wholly owned by the Zamil family in Damman, working on substituting more locally - produced plastic parts with about half of the region's

for imported metal items. A plastic fan, to be made by Zamil Plastics, has been designed to replace the same imported aluminalum part. production; Kirby Industries, owned by the Alghanims of Kuwait, with a bit under 40 per cent of production, and Saudi Building Systems, e 70-30 Juffali-Butter company in Jed-These plans will leave as the main imported parts compres-sors, motors and switches, all of which are high-value items which are unlikely to be econ-omic to produce in the King-dom in the forseeable future.

PRE-ENGINEERED

STEEL BUILDINGS

for new

Battle

orders

T.L.

dah, with e share of just over lo per cent. Each of these companies is now working well below capa-city. SBS is at about 67 per cent, and the other two at ebout 40.50 mer cent of the capacity there had during the boom period of 1982. The companies as SBS puts it, that the boom continued so long into 1983. They put it down to their being some way donwarear Although its own integration may soon stop. ARI may draw, more of the minor parts it buys from suppliers inside the King-dom

being some way donwstream from the big government con-tracts much of the work they tracts much of the wors and do is for sub-contractors and to the private sector market

dom. Zamil Flastics at present im-ports the high and tow-density polyethylene and other plastics it uses, or have them from the import operation that the Saudi Basic. Industries. Corporation has established to give it agperi-ence of the market. In future it is expected that the plastics will be bought from SABIC polyethy-lene plants or intermediate plastics plants in Juball. Then the manufacturing chain from ethane gas to finished plastic product will be complete in Saudi Arabia. It is also possible that the expected. Competition is now so intense that Zamil Steel says it wonders whether it is worth bidding for some contracts. Its competitors are bidding low to gain volume so, that their operations as e whole can benefit from econo-mies of scale.

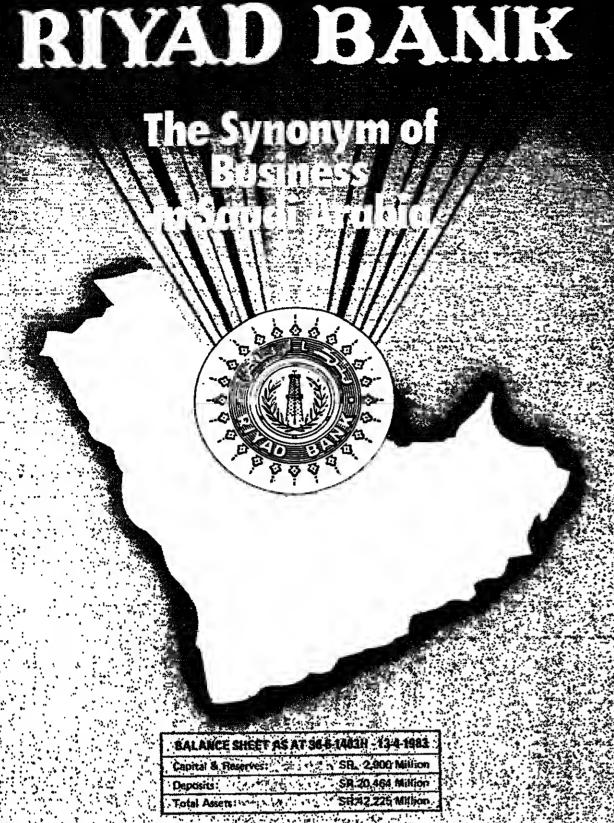
Certainly there is no chance It is also possible that the aluminium fin used in the heat exchangers will one day be bought locally. The Gulf Organ-isation for Industrial Consulting that anyone could import e pre-engineered steel building and make a profit.

Success

In the balance of peyments sense the three companies have given Arabia one of its indus-trial successes. They are gradu-

trial successes. They are gradu-ally drawing more of their parts from other local manufecturers. SRS takes all its paint and fibreglass insulation from Sendi and Knwatti producers and it is hoping that in the meduim term it will be able to buy smooth steel bar locally. It is working with other manufac-turers on the development of turers on the development of door and window system

duced in the region-including those bought from Zamil Plasdoor and window systems. In the present tough market the company that is thought to be being squeezed berdest is Kirby, which was esteblished in Knwgit in 1977. The company has suffered from frequent changes in its management and birth company tics add another 10 per cent. The company's plans for further integration and the regional industrial projects from which it may draw supplies in future will have a fairly marginal impact on these high overheads-it bas main-tained lavish, highly staffed regional offices throughout the Middle East. In these circumstances it was e misake for it to lead prices down, because it has burt itself competitors. Further problems for Kirby Further problems for Kirby have come from the company's main Saudi dealer and con-structor leaving it. In the next year it may also be damaged by the more rigorous enforcement of the Government's Saudisation legislation. Parts of this require that local companies be given in contracts even if government contracts, even if their bids are 15 per cent ebove foreigners' bids, and thet all contractors draw on local sup-pliers for et least 30 per cent of the miles of their contractors the value of their contracts.



VI

Hend Diffini: P.D. Box 1847, Jaddah, Tat: 82847-4777; Tix: 487292 RYADEX SJ and Offices. Mustern Region: P.O. Box S234, Jeddab, Tel: 92 867-1868, Tel: 403868 Estheri Segina: P.O. Box 228, Al-Khokar Tel: 13-864-71 Cantral Region: P.O. Box 229, Hyndh. Tel: 07-404-2689, Tel: 20192 Gensin Aris: P.O. Sox 1388, Spurydats IN: 06 323-8604, Tainor B Marthann Row: P.O. Box 229, Hyndh. Tel: 07-404-2689, Tel: 20192 Gensin Aris: P.O. Sox 1388, Spurydats IN: 06 323-8604, Tainor B Marthann Row: P.O. Box 229, Hyndh. Tel: 07-404-2689, Tel: 20192 Gensin Aris: P.O. Sox 1388, Spurydats IN: 06 323-8604, Tainor B Marthann Row: P.O. Box 229, Hyndh. Tel: 07-404-2689, Tel: 20192 Gensin Aris: P.O. Sox 1388, Spurydats IN: 06 323-8604, Tainor B Marthann Row: P.O. Box 229, Hyndh. Tel: 07-404-2689, Tel: 20192 Gensin Aris: P.O. Sox 1385, Tel: 20192 Gensi ber Tel: 03-884-7182-705-578 My Court: 21 Day

البنك السعودى العالمى المحدود Saudi International Bank

AL-BANK AL-SAUDI AL-ALAMI LIMITED

Offices: London, New York, Tokyo, Nassau.

Shareholders: Saudi Arabian Monetary Agency, National Commercial Bank (Saudi Arabia), Riyad Bank, Morgan Guaranty Trust Company of New York, The Bank of Tokyo, Ltd., Banque Nationale de Paris, Deutsche Bank A.G. National Westminster Bank PLC and Union Bank of Switzerland.

Jeil in Iild

THE PROGNOSIS for the bealth care industry in Sandi Arabia is excellent, Budgetary restraints have rendered certain sectors somewhat anaemic, but the government's determination to meet the demand for medical care sugers well for expansion. The medical field in Saudi Arabia can be divided into four but suffers from under utilisa-tion. Hospitals such as these will continue to be built to falfit Arabia can be divided into four areas — construction, operation and maintenance of the hos-pitals already built, equipment and drug sales, and educa-tion, which specifically means medical schools. In the construction field, the Kingdom has embarked on a building programme that will. Dr al-Ghosaibl's pledge that no Saudi will have to leave the Kingdom for medical treat. ment.

Expansion building programme that will boost capacity from 117 hos-pitals, with 23,500 beds in 1982 to 190 bossitals with 36,500 beds by 1985. The Ministry of Health con-

struction programme for the third five-year plan will provide 36 new bospitals with 7.500 beds 86 new borpitals with 7.500 beds and in eddition to the hospitals, 1,125 dispensaries and bealth centres are planned by 1985. The kingdom has a bed to patient ratio of seven beds per 1,000 but intends to raise the standard by 1990 to aine beds per 1,000. The Ministry of Health, under Dr Ghazi al-Ghosaibi, is not the only government organisation

only government organisation building hospitals. The Ministry of Defence and Aviation also provides services through 13 hospitals with a capacity of more than 2,000 beds.

The Saudi Arabian National Goard (Sang), also provides bealth care, particularly to soldiers and their relatives. Sang operates 500-bed hospitals in Riyadh and Jeddah, but is experiencing somo financing problems in its plan to build more hospitals.

Strategy The Government Organisation for Social Insurance (Gosi), the Ministry of Labour and Social Affairs, and the public security organisation of the Ministry of the Interior, are involved in co-operative hospital projects. Although the hospitals of these different ministries are not integrated into a single network they do fit into the Government's basic plan to provide increasing medical care up to and including speciality care. This plan envisages a series of feeder bospitals leeding to depend on Western physicians medical industry. and nurses, the private sector-tends to use Far East and specialised units in the larger

Mental health as well as physical health are being treated in the Kingdom's hospi-tals. For instance, in the summer capital of Taif two 250-bed psychiatric hospitals will be commissioned. One is being built while the other is the result of expansion of a the result of expansion of e present facility. Most 'of the construction

Most of the construction activity under the five-year plan is concentrated on smaller 100 and 50 bed hospitals for out-lying regions, enabling most Sandis to receive treatment in relative proximity to their homes. The construction of small clinics is also an import-ant element of the push to pro-vide rural medical services. Even though the Government

Even though the Government presence in medicine is large, there is considerable activity in the privata market. The Minis-

try of Health loans 50 per cent of the cost of projects and after completion pays for 15 per cent of the hospital's bed capacity. By 1988 private hospitals should account for 10 per cent of the total hod servative in Scienti total bed capacity in Saudi Arabla,

Although most expenditure is on hospital construction, con-siderable sums are also being spent on operations and mainte-

nance contracts, though somo slowing down has recently taken place. Whittaker Corporation's U.S.\$14bn contract with Moda was cancelled because it had was cancelled because it had The kingdom's five medical been renegotiated instead of schools produce more than 150 going out for competitive bid- doctors a year. King Saud Uni-ding. Because the renegotiation versity Medical. School in conflicted with royal degree. Riyadh is part of a school in the contract was multicad the contract was nullified.

proceeds strongly cities. The Government is currently private _ sector hospitals finishing its group of large generaly treat expatriates (who specialised hospitals. The will generally have medical newest of these, the King employers). They also treat Khaled Eye Specialist Hospital in Riyadh, has superb facilities but suffere from under utilities. The medical groups working

is studying the possibility of evablishing e in plant to take aluminium from the Gulf Aluminium Rolling Mill Com-pany, which is building a fac:

tory in Bahrain. This itself is to be supplied by ingots from the Aluminhum Bahrain (Alba)

amelitez. In all, Zamil Refridgeration calculates that at present its own operations add 45-50 per cent of the value of the air-conditions it sells. Goods pro-duced in the value and the self.

amelter.

The medical groups working in Saudi Arabia come from all over the Western world. Danes are involved in medical work in the southern province at in the southern province at Jizan. Britain is represented by International Hospitals Group (IHG). Germans and other Europeans are also represented and the U.S. is represented by American Medical Enterprises and Whittaker and other firms. Sales of counternation and sum-Sales of equipment and sup-plies are also large. The six hos-

plies are also large. The six hos-pliais involved in the Whittaker bid will use approximately \$200m worth of supplies during a three-year period. The Saudis are largescale purchasers of over-the-counter-drugs. Pharmecentical sales are around U.S.\$242m to \$400m per year, of which one third is to the private sector. The Ministry of Health controls prices and registration of drugs.

Suppliers

There are also plans to set up local drug manufacturing plants. Saudi Pharmacentical Judustries Corporation (Spic), is planning a factory in Qassim. The venture is capitalised et U.S.\$85.7m. Several of the larger drug retailers have taken interests in the plant which is designed to supply 50 per cent of the Saudi market for soft drugs.

drugs. Doctors say that the Saudis will continue to buy speciality drugs overseas. Spic is siming for government supply contracts because the Government has a huge requirement far drugs. After all it operates over 90 per cent, of the bostifals in the cent of the hospitals in the Kingdom. The Spic plant will begin producing sometime in 1987.

versity Medical School in Rivadh is part of a massive new campus, with its own teaching hospital and classroom build. the contract was number. Tighter controls on expendi-ture may mean fewer Western ings. These schools train the medical personnel will in future be hired. While the Goverment's prestige bospitals demand on Wastern physicians medical industry demand on Wastern physicians medical industry the control of the Kingdom's growing demand in the single for the schools train the control of the Kingdom's growing demand in the single for the schools train the control of the Kingdom's growing train the single for the schools train the per cent and its market share to 18 per cent and its schools train the schools train the per cent and its schools train the schools train the per cent and its schools train the train the schools train the per cent and its schools train the train the schools train the train the schools train the per cent and its schools train the train the schools train t

Finn Barre Michael Field

There is some question as to whether Kirby will be treated as a local or foreign company in the application of this legisle-tion.

The other two companies are reasonably optimistic about

reasonably optimistic about their prospects. Zamil Steel, which began as e joint venture with the U.S. com-pany, Soulé, in 1978 and became a wholly Saudi company in 1980, has invested much moncy end effort in gearing itself specifically to Seudi require-ments. physicists at Hull University, If has specifically and some some optimistics.

physicists at Hull University, It has spent some \$2m on Arabianising its original Ameri-can building. In 1981 it switched all its measurements to the metric system, which SBS has not yet done. It has put an unusually large number of technical people in its provin-cial offices, while cutting the numbers of draughtsmen and engineers in Damman by using computers.

In the last 12 months it has opened a factory in Dammam for structural steel, which it

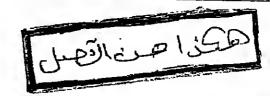
topes will be its flagship in three or four years time. Saudi Building Systems ack-nowledges that it is much smaller than its competitors and missed opportunities through arriving late in the market, in 1981. While Zamil and Kirby had the advantage of being able to install a large capacity and use it all from the beginning, SBS, has had to start small and try to finance its expansion from profits. It has also had the burden smaller than its competitors

It has also had the burden of running its own construction operation—Butler originally ar-rived in the Kingdom as e con-tractor—though this has re-cently been run down. The company is beginning to work through six Saudi contractors who will use its mediate who will use its products exclusively:

elusively: New SBS feels that it is "lean and mean and ready to go for expansion." It is hiring staff, increasing inventories and expanding its capacity from 1,000 tonnes to 1,500 tonnes a month.

Zamil, that it has in its sights.

SAUDI ARABIA 7



Self-sufficiency targets are being reached sooner than expected

Farm policies yield a rich harvest

of this year's wheat crop, now being garnered, are correct, production has almost doubled. The Kingdom has not only be-come self-sufficient, somewhat before its planners originally thought likely, but has also created a modest surplus for export.

Û

The Saudis have also reached the point of exporting ages (mainly to Kuwait and the United Arab Emirates), and ara about halfway to self sufficiency in milk and chickens.

in milk and chickens. The success of the Govern-ment's policies, involving free gifts of large land plots, ex-tremely soft or interest-free loans from the state-owned Saudi Arablan Agricultural Bank and generous subsidies on equipment, seeds, feed and fer-tiliser, has taken the Ministry of Agriculture itself by surprise

This year's estimated wheat production, at 1.3m tonnes, compares with an output of about 740,500 tonnes last year and a meagre 3,000 tonnes as recently as 1975. Egg production leapt by 41 per cent last year to 1.75bn, and the flow of milk from the Kingdom's ultra-mod-ern dairies increased by 15 per cent to 320,096 tonnes. Output of broiling chickens

rose 67 per cent to 137 kg. It could barely keep pace with de-mand, bowever—Saudis probably eat more poultry per head these days than anyone else.

Wheat is the showpiece, how-ever, mainly because off the Government's undertaking to buy farmers' output at a guaran-teed price of SR 3.50 per kg, more than five times the world price (last year, imported wheat cost SR 0.68 CIF at Saudi ports). In effect, this assures farmers of a substantial profit for every

bushel they grow. Foreign agri-culturalists in the Kingdom reckon that Sandi farms are probably the most profitable anywhere in the world. Averaga yields of wheat, at

around five tonnes per hectare, are comparable with those of the European Community and

national terms. Total government spending on agriculture is very difficult to estimate, coming as it does from so many different arms of the bureeueracy. In the 1980-85 Development Plan, SR 5bn was allocated in loans and SR 2.5bn in subsidies, explicitly to farms, in addition to substantial spend-ing en vital water resources, grain storage and flour milling facilities and municipal develop-ment in rural areas. In all, it is estimated that

In all, it is estimated that in all, it is caunated that more than US\$18bn has been invested in farming by the pub-lic and private ecctors since 1990. Because of this, Sandi Arabla's farms are now among tha world's most intensive and technologically-advanced, using the very latest irrigation, cul-tivation, storage and animal husbandry techniques.

Diversification

So far at least, domestic cost seems to have been no object. In a recent report, the Ministry of Agriculture and Water rec-koned it bad saved about SR 3.79bn that would have been spent on imports in the most recent Hijra (Moslem) year.

This economic benefit, how-ever, is only a small part of the story, 2s the ministry freely admits. Other gains include pro-

gress towards diversification of the economy away from oil, and a boost for the Kingdom's enthusiastic private sector-not to tion mention such social considera- gic tions as reversing the drift to the big cities seen in the 1960s and 1970s and making sure that the petrodollars are spread as widely as possible across the

wheely as possible across the population. Dr Abdul Rahman al-Sheikh, the agriculture and water min-ister, is also fond of eiting the political and strategic advan-tages which independence from food invasite bings discribing food imports brings, describing farming as "a most expressive

means of patriotism."

THIS MONTH, Saudi Arabia's Forage grass growers can sufficiency in wheat has been remarkable agriculture develop-ment has turned an important targets, and on well-managed baya arisen, raising the broader corner. If preliminary estimates dairy farms, annual yields of question of whether the King-of this year's wheat grop, now 6,500 tonnes per cew or more being garnered, are correct, have been known highly danger of becoming a victim of production has almost doubled. respectable figures in inter-the Kingdom has not only be-national terms. One of the main issues is

what to do about wheat surpluses, This year's over-pro-duction, amounting to about 500,000, tonnes (demand is to be about 800,000 reckoned to be about 800,000 tonnes, and growing), does not present a great problem, repre-senting a reasonable safety margin against such eventuali-ties as destruction of crops by storms, which are quite fre-quent around harvest time. If production continues to grow-and it is a virtual certainty that

it will, at a considerable rate— the Kingdom, however, will have a large grain mountain on its hands. The Government, apparently

1.7m tonnes.

unconcerned, has always said that it will export excess grain although it is not entirely clear whether It intends to ask a

market price for its produce or whether it will give it away as aid. Probably, the Kingdom will do both—selling some to fellow-members of the Gulf question, Co-operation Council (GCC) and granting the rest in aid, possibly through the United Nations Food and Agriculture around the subsidies, and bere

Organisation. Nevertheless, it seems doubtful-to say the least-that the Saudis would wish to keep up such a costly method of trading

aiding in the long run. Another option believed to be under discussion is the crea-tion of a bufferstock or strate-gic reserve. This raises possible storage problems. The budgetary restraint. state-owned grain silos and flour mills organisation, which buys wheat on behalf of the Govern-

find it quite difficult to reduce ment, has spent more than SR 2.5bn increasing its storage

capacity to about 885,000 Agric tonnes, and there are under-stood to be plans—as yet un-approved—to boost it further to Ar A recent tentative attempt to

Additional capacity will soon be needed just to keep pace SR 2.5 is believed to bava been with production: the strain on shelved after heavy resistance, above levels achieved in North Expansion in Sandi agricul- resources last year was apparent not only from the newly-vocal 58 greenhouse projects are now tively by renewable water. Town-dwellers pay SR 0.50 per America, while some of the ture is still going on apparently to foreign observers, who speak farmers' lobby but also from under construction, yielding a enhanced in some places by cubic metre for water, which best farms can hope to sell an unabated. But now that of lorry queues of up to 20km the religious establishment, potential 57,717 tonnes of pro-amazing 7.4 tonnes per hectare. the key target of self pullding up at some silos. In which saw any cuback as an duce, This compares with the scale, in part because of the SR 4 to give them.

Governmeet's promise. As an indication of the finanlong-term answer to the surplus The real issue revolves.

Integrated

the Government looks to be in something of a bind. The proportion of farm expenditure represented by current outlays is growing rapidly, reflecting in part the boom in wheat produc-

If this year's production estimates are correct, merely buy- and possibly other grains or ing in the crop will cost an ollseeds, as a logical next step. awful lot. Many people in the Kingdom are asking themselves how long such largesse can be justified at a time of general

Equally, the authorities may of barley for animal feed, esti-nd it quite difficult to reduce mated to be about 1m tonnes their handouts significantly. The per year.

farm policy bas been so success-ful that, like Europe's Common Agricultural Policy, it has developed a momentum of its

reduce the guaranteed wheat price from SR 3.5 per kg to SR 2.5 is believed to bava been

any case, a buffer stock is not a intolerable breach of the 24 existing veotures, and current output of 29,303 tonnes.

None the less, borticulture, As an indication of the innan-cial pressures which are already occurring, the grain silos organisation had to delay some paymenia to farmers last year, and no sooner had it finished paying for the 1983 crop than this year's started to roll in. unlike the grain industry with its centralised buying policy or dairying with its integrated distribution and processing networks, is dogged by marketing problems. Vegetable distribu-tion is operated on what one foreign farm executive des-Many observers see a diversicribed as "pickup truck market-ing" principles, unsuited to turning over large volumes of produce. The development of fication from wheat into barley, like wheat a good dryland crop, Aside from helping to curb a major food-processing industhe growth of 'ebeat surpluses, this would have the additional try would permit an improve-ment, but this seems some way off.

A second long-term question mark bangs over all-important water supplies. Broadly speak-ing, the Kingdom can be divided into two parts as regards its natural water resources; the Another area with growth potential is horticulture. This

is already expanding rapidly, and there has been a percept-ible shift of emphasis in SAAB loans to this sector. According to figures from the bank, some

PROJECTED WATER RESOURCES

(munon	1980	res per yea 1985	r) 1990	2000
Non-renewable	3,450	3,450	3,450	3,450
Rene wable	1,145	1,145	1,145	1,145
Desalination	63	605	794	1,198
Reclaimed urban wasta	0	140	335	730
Total resources	4,658	5,340	5,724	6,523
		Source:	Miniatoy of P	lanning.

often difficult terrain and a rela-

country, and depend for much of their water on ancient aquifers exploited by wells, often drilled as deep as 1,000 metres. Some of the centre's resources,

of course, are replenished, whether by a steady trickle east-wards of rain collected underground in the West or by a soaking down of what rain does fall locally. The fact is that e considerable amount of water used by the big farms-nobody nows exactly bow much—is on-renewable. Thus, although ere is apparently no major gn of this yet, there are orries that the Kingdom's

ater table may eventually fall, using wells to start running

Against this day, new sources of water have been laid on at great expense, such as 22 desall-nation complexes-which are mainly directed at urban needs, but indirectly beoefit farmers by freeing wells for their use and plants to re-treat urban sewage water, which appears to be the coming thing. Other efforts to minimise the

risks include: • Selective bans on drilling agricultural wells in certain areas, imposed by the ministry from time to time. The ministry says these have a largely technical function, and are oot primarily designed to cut water nse.

It is understood that the next five-year plan, covering 1985-90, will propose that agricultural wells be metered, initially with a view to monitoring water use by individual farms. Officials say that the possibility of mak-ing farmers pay for the water they pump cannot be ruled out, although the implications for

natural water resources: the they pump cannot be ruled out, West and Sooth West which catch some rain, the West in winter and the South West in early spring and late summer respectively—and the arid central and eastern areas. Farming in the West and South West, although fed effec-tively by renewable water. Town-dwellers pay SR 0.50 per

The plan is to leave the rate tively high salt content in the soil. Saudi Arabia's blg intensive farms, from which much of the exclusively in the centre of the country and depend for much boom has come, are almost exclusively in the centre of the country and depend for much boom has come, are almost exclusively in the centre of the country and depend for much boom has come, are almost exclusively in the centre of the country and depend for much boom has come, are almost exclusively in the centre of the country and depend for much boom has come, are almost country and depend for much boom has come, are almost country and depend for much boom has come, are almost country and depend for much boom has come, are almost country and depend for much boom has come, are almost country and depend for much boom has come, are almost country and depend for much boom has come, are almost country and depend for much boom has come, are almost country and depend for much boom has come almost country and depend for much boom has come and boom has boom h

VΠ

"water atlas" being finalised for the ministry by a team of U.S. scientists, Officiale say they expect this to be available in six months, and at that point it will be possible to revise pro-

jections for water supply. Those officials who have seen Those officials who have seen the report while uawilling to divulge its contents, seem sanguine about the future. One said: "When I was a child, we were constantly told the oil would last only 30 years. Now I'm over 40 and it's still flow-ing. Water is the same."

Hostile environment Two things, at least, are certain about agriculture. First, farming in the Kingdom-for all its free enterprise vigourwould not survive without coo-siderable state support. Second, the Government still standsfor the moment, at any rate-for the moment, at any rate-firmly bebind its farmers. Nevertheless, there are signs that the Ministry of Agriculture would like, in line with the spirit of the fourth development plan starting next year, to reduce its role eventually and let the private sector do many of the work. How this is to be accomplished is another question.

The Saudis are proud of their farming achievements, brought about in an extremely hostile environment and with surpris-ingly little initial scientific knowledge.

They are also extremely sensltive to criticisms that their agriculture is a waste of money. A remark to this effect by Mr John Block, the U.S. Agriculture Secretary, last year met with a sharp rebuff from King Fahd, who vowed to "refute allegations that the Kingdom is not an agricultural country." In the same vein, Dr Al-Sbeikh said last November: " to those who believe we are

throwing away our money in a vain attempt to cultivate the desert rather than use those funds in other things we say: Welcome to our green desert."

Andrew Gowers



Chicken farming at Riyadh University's faculty of agriculture. The Kingdom exporting eggs and is about halfway to self-sufficiency in chickens The Kingdom is already

FARM PRODUCTION 1982-83

	projects		P	Self-sufficiency %		
	1982	1983	1982	1983	1982	1983
Broiling chickens	212	237	82m kg	137m kg	29.5	- 43
Eggs	165	172	1.24bn	1.75bp	88	98
Milk	22	28	277,122 tonnes	320,096 tonnes	46.6	41
Wheat	48	101	250,000 *tonnes	740,478 tonnes	31*	93
* Estimates.			Source	: Ministry of Agr	iculture an	d Water

Saud American Bank

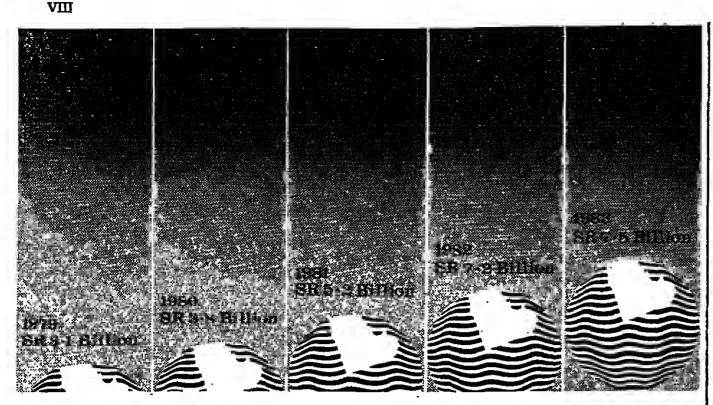
Corporate and merchant banking services in Saudi Arabia for local and international companies engaged in contracting, frading, manufacturing and agribusiness in the Kingdom

Head Office:

P.O. Box 833, Airport Road, Riyadh 11421 Tet (01) 477 4770 Telex: 200195 SAMBAS A Saudi Join stock company with fully







Bank Al-Jazira: The rising bank of Saudi Arabia

If you're looking for a bank in Saudi Arabia, come to Bank Al-Jazira. As our record shows, you'll be linking yourself with a rising line of success.

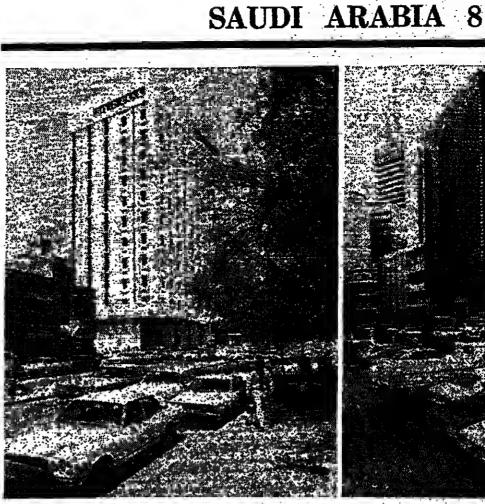
	1979	1980	1981	1982	1983
Equity (Capital & Reserves)	76.15	157.60	219.00	253.00	388.00
Deposits	1,673.00	2,002.00	2,844.00	4,002.00	4,480.00
Loans, Advances etc.	885.00	1,107.00	1,283.00	1,690.00	1,797.00
Balance Sheet Total	3,066.00	3,793.00	5,169.00	7,217.00	7,452.00
Profit	29.88	53.36	86.51	110.58	110.83
Dividend	15%	17%	18%	20%	20%
Branches	8	9	11	17	23
Staff	508	575	632	821	982

Amounts in S.R. Millions



HEAD OFFICE: P.O. Box: 6277, Jeddah, Saudi Arabia. Tel: 631-2289. Telex: 401574 HJAZ SJ. BRANCHES: Jeddah (5 branches): Riyadh (2 branches) Dammam: Makkah: Madinah: Al-Khobar: Abha: Taif: Yanbu: Unaizah; Jubail: Hafr Al Baten: Tabuk: Najran: Gizan: Al-Hafuf: Buraida: Airport Road Riyach. (10 new branches to be opened).





The Riyadh Bank on King Faisal Street

The head office of the National Commercial Bank

Financial Times Tuesday April 24 1984

SU

Relative calm in the banking sector masks fundamental changes

Authorities aim to boost commercial lending

AN EERIE calm has descended on Sandi Arabia's banking These Any Entrance cannot be atmosphere in space after a particularly noisy take off and flight. After years of what seemed almost extraterrestrial growth in balance sheet and earnings, the Kingdom's banks are slowly floating back

towards earth and life among ordinary mortals. According to preliminary estimates issued by the Ministry of Finance earlier this month, commercial bank assets expanded by 3.8 per cent in the most recent fiscal year, and deposits grew by 5.3 per cent-rates which would elsewhere seem perfectly normal, but in the Kingdom must be measured against increases in both of more than 20 per cent as recently as two years

The tale told by profits is even more revealing. Saudi banks state airline Saudia. were until quite recently A steady flow of new business reckoned to be among the most in the next year or so will be profitable in the world, but provided by loans to cover 10 while they are still providing per cent of the final working very handsome returns, only one -Saudi-American Bank, part scale industrial joint ventures. scale industrial joint ventures undertaken by SABIC and owned by Citibank -- has so far Petromin, the Government oil marketing company, although reported an increase in net earnings for 1983 and even then it was only 1.4 per cent. it is not clear at this stage how cial institution, National Com-mercial Bank, recorded a fall mercial Bank, recorded a fall in profits of 10.5 per cent. Everywhere the talk is of "consolidation," of a period of review and reorieutation. The surface caim masks fundamen-tal changes in Saudi banking now getting underway. Bankers pinpoint several major developments which will continue to squeeze their mar-gins or test their ingenuity and adaptability for the foreseeable future. Most of them have something to do with the general something to do with the general slowdown in the Kingdom's economic growth, and most also indicate an increasing involve-ment in the domestic economy by institutions which, until quite recently, seemed happier sticking to a limited range of retail banking activities, while keeping much of their assets on deposit with other banks outside the country, notably in Bahrain. conomic growth, and most also Sandis

include Saudi riyal by launching its first financial travellers cheques (launched instrument on the domestic fast year, and off to a slow scene. signt), 24-hour cash dispensers and an increased use of credit cards and personal cheques. Since then, it has been issuing weekly tenders for 91-day deposits, initially of up to SR .350m and lately up to SR 400m,

At the same time as banks are having to invest heavily in expansion on the ground, they are finding themselves paying re for funds "Until quite recently, many Saudi bank customers happing lefs their money in easy-toservice current accounts with-out demanding interest. The banks could thus earn them-selves 10 per cent and more simply by feaving the funds on

Some cases.

elghner

Islamic bank

in the deposits Inevitably there has been speculation that the tenders deposit in foreign banks. It was almost literally a licence to print money; and helped banks to make profits equal to or greater than their capital in foreign rea rves are ample to cover such shortfalls Things are different now,

partly as a result of the increas-ing sophistication of private customers and partly because

may eventually be used to budget finance government budge deficits, although SAMA denier this, pointing out that its

SAMA officials describe it as

in the

.....

an experimental first step

towards creating a range of

Kingdom, as well as an embry-

onic monetary tool to mop up ercess liquidity in the economy, Eventually, the authority may also allow a secondary market

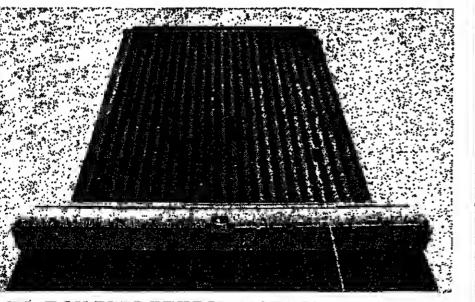
ncial instrum

Test attitudes

Some foreign observers see d cost conscious the new ctice, in addition to a demand deposits have now by Government.
a demand deposits have now by Government.
a demand deposits have now by Government.
b demand notes that time a discount arrangement which bearing accounts have been strictly speaking conforms with the Islamic ban on interest, strictly speaking conforms with the Islamic ban on interest, so far, however, the Ulema, the shy still the hower the so been mixed. There industry by is much grunbling that the herest rate on offer is lower that Commers and Commerce, up to not be exceptional security to the exceptional security to the exception security to the so or a neighbored cost-conscious- the new practice, in addition to ness on the part of hard- being a financial experiment, as is much grunbling that the interest rate on offer is lower than equivalent (three months) interbank rates — which the central bank counters by point-ing out the exceptional sociativy it offers. It also aces keeping the yields on the tenders down as a vital signal to the market on interest rates in general. There are also countaints in Exchange and Commerce, up to now the biggest of the King-dom's money changers. These institutions handle e large portion of Saudi current account money as well as pro-viding foreign exchange drafts for the large expatriate work-force and trading on various foreign markets, notably the commodity exchanges. There are also complaints in some quarters about pressure from SAMA to take part in the tenders as e result of poor initial subscriptions. The foreign markets, notably the commodify exchanges. In December, 1981, SAMA, increasingly concerned at the almost total lack of controls on their activities (a situation which led the next year to the embarrassing and costly col-lapse of one of their number), ordered the money changers to wind up their deposit taking activities within three years. authority insists that the banks are free to take the offer or leave it. But, as one foreign expert pointed out, even if it is apply-ing some coercion, SAMA is ing some coercion, SAMA is only acting like other central banks the world over, including the object of them all. Another possible effect of SAMA's policy could be to attract rivals back into the Kingdom from Bahrain. For this reason, reaction to the move in Manama seems to have been much stronger than in Rivad or Jeddah; bankers there see it as a part of the same Saudi compiracy against them that gave rise to the restraints on offshore participation in on offshore participation in rival syndications and the with-holding: tax on interest payments to foreign lenders. Soundings among Saudi bankers and officials suggest that this may be an over-reaction. The Kingdom has certainly made it plain enough that it does not want to see the rival becoming greatly inter-nationalised out of a desire to Bankers are inclined to rebe monetary master in its own house—and officials express satisfaction that Saudi banks' gard all this as an interesting sideshow rather than a threat or foreign assets are not expand-ing any more as a proportion of their total assets. But the weekly tenders, which a major development. But the A major development. But the sheer size of the company (its capital of SR 750m would immes diately put it among the King-dom's largest banks) and the sensitive religious questions it relies mean that if cannot be ignored But the weekly tenders, which et their current level can raise a maximum of about SR 5bn-against the estimated SR 20bn and more held in rivals by Saudi banks outside the King-dom-hardly amount to a squeeze on Bahrain. For Saudi banks, meanwhile, the future looks a great deal more interesting than the past, even if it is not lined with easy **Drofits**.

UNITED SAUDI COMMERCIAL BANK

the new force in Saudi Arabian banking is pleased to announce the opening of its Head Office building in Sitteen Street, Riyadh



PO. BOX 3335 RIYADH, 11471 SAUDI ARABIA TELEPHONE: RIVADH 4784200



البنك السعو دي التجارى المتحد

UNITED SAUDI COMMERCIAL BANK AL-BANK AL-SAUDI AL-TEJARI AL-MUTTAHED

Bahrain. The recent reductiou in Government spending, the motor of the ecouomy, has caused private companies to turn increasingly to the banks turn increasingly to the banks for loans, whether to finance expansion or to tide them over cashflow difficulties. Either way, this development is likely to have a continuing impact on bank earnings, as it will force them to step up ad-ministrative expenditure and expand such relatively new acti-vities as credit risk snalvas

vities as credit risk analysis.

Net earnings

Either way, too, it means central bank does note, how-increasing exposure to risk ever, that the share of currency Indeed, some bankers worry in circulation in M3 has that in particularly hard hit declined continuously since sectors of the economy, such as 1978, reflecting "the growing the construction industry, banking habit among the banks' lending risks could rise to unacceptable levels. Competition to pull the

But the Saudi Arabian Monetary Agency (SAKA), the Kingdom's central bank, is determined to encourage increased commercial lending to business, which is in line with the emphasis in the fourth with the emphasis in the fourth development plan, starting next year, on encouraging the private sector.

Last year, according to the Finance Ministry estimates, such lending increased by 18 per cent—a remarkable figure at a time of relatively slow overall balance sheet growth;

In the same spirit, there is also increasing activity by Saudi banks in the Saudi riyal syndication: market, focusing mainly on the large state-owned corporations.

a SR 686m syndicated loan led or next. by Riyad Bank and signed last Banks are also planning sations, but from the authori-June. Then in March of this gradual additions to the frills ties. On February 11, SAMA year came SR 973m credit they can provide along with took a long-awaited some aranged by Riyad Bank and straightforward retail services. would say long overdue—step

much of this financing will be in riyals and how much in other currencies. Details of the first three of

these loans, amounting to the equivalent of about \$660m, are expected to emerge soon.

Agency decree

Again, Saudi banks have been actively encouraged by SAMA to become involved in this market. Last eyear, the Agancy decreed that foreign banks decreed that roleign banks could not participate in ziyal syndications without prior per-mission, a move which bankers say has considerably reduced involvement by Bahrain off-shore banking units (OBU's), and left the field clear for the Another important change-

and a major factor in the profit slowdown-is that banks' overall costs are increasing at a brisk pace. This applies both to administrative expenditure and to the cost of funds.

Ranning and investment costs are being inflated by growing competition between the banks to draw in the still massive amounts of private unbanked liquidity, in what must be one of the weathiest essentially cash based economies in the

According to the latest pub-lished money supply figures, issued by SAMA more than a year ago, currency in chrcula-tion totalled SR 30.42bn in 1982,

or 25 per cent of the broadest monetary measure, M3. The central bank does note, how-ever, that the share of currency

The Al Rajhi Company for Currency, Exchange, and Com-merce, however, declared that it wanted to become an Islamic bank-a phenomenon histarnic bank-a phenomenon hitherto unknown in the Kingdom and was promised a licence by the central bank.

people." Competition to pull the remainder in involves building more branches and improving and expanding services by investing in new technology and investing Saudi staff—all costly will then become a kind of Islamic investment institution, work is still growing at a rate year with the Saudi-ised foreign banks erpanding particularly such

such-

The Kingdom's branch net-work is still growing at a rate of more than 20 per cent a year with the Saudi-ised foreign banks expanding particularly aggressively—and it will not be long before the total tops 500. This compares with a comple-ment of only 188 in 1980. Meanwhile Saudi - British

Meanwhile, Sandi British Bank, which is 40 per cent owned by Hong Kong and Shanghai Banking Corporation through its British Bank of the Middle East subsidiary, late last

syndication market, rocumny Middle East sunsidiary, late last paises mean mar if cannot be mainly on the large state-owned corporations. Saudi Basic Industries Corporation- (SABIC), was the first in the recent flurry, with several others reaching change in Saudi bank-ing, however, emanates not first in the recent flurry, with several others the first several others reaching change in Saudi bank-to a part form within the industry or from within the industry or

Andrew Gowers



SAUDI ARABIA 9

'Growing need' for a more sophisticated financial system

"THERE'S

113

Sec.

* 5

叠1

UQ?

15

3

5

Consulting Centre for Finance and Investment was set up in 1979 to provide professional consultancy services on just those problems, and its busi-ness is beginning to take off. "The more the economy develops," he says, warming to his argument, "the more the used arises for a sophisticated financial system. Financing will move heyond the private or family sphere. It must move to-wards an institutional system." wards an institutional system."

The signs are that the authori-ties broadly ahare his views. The theme is underlined almost as often as a senior Government figure talks pub-licly about the economy: at a time of depressed national revenue, the need is all the more urgent to boost uon-qil industries, and this can only be achieved with the active involvement of private capital. In short, the Government, whose lavish expenditure has been the driving force behind Sandi development since the oil price explosion, now wants to step hack and let others do some of the work

How it proposes to proceed will no doubt be set out in some detail in the Kingdom's fourth five-year plan, which applies from next year. There is every indication that it will continue initiation of the win contract of the second exceedingly warily, so until that eagerly awaited docu-ment is published, discussion of the future will have to rely heavily on straws in the wind.

Trial run

One straw pointing decisively in the right direction is the sale to private shareholders of state-owned corporations. The sale earlier this year of shares in Saudi Basic Industries Corporation (SABIC) the state comany which is responsible for plants.

"THERE'S A tremendous per cent of the corporation is may offer up to 40 per cent of savings base here waiting to be to be privatised, although the its SR 750m capital, while NIC pukheil, a leading Seudi fin- precise timetable. SR 600m equity to the public.

Dukheil, a leading Seudi fin-ancier and former Deputy Other state companies which in institutions and instruments." The lack is in institutions and instruments." Other state companies which With these words, be sums utilities such as the Saudi Pub-the Central dilenima facing it e Saudi government as it tries sector: bow to harness Saudi private capital to the King-dom'a economic development, and in particular how to marry it with suitable and viable in-prestment opportunities. Dr Dukheil's Riyadh-based and Investment was set up in

fixed interest bonds that equities. In the future, candidates for flotation among public sector min, the state oil refining and min, the state oil refining and airline Sandia, the Saline Water Conversion. Corporation Corporation Manus at all but all its actions, piece-meal as they are, appear to min that way. It is under-stood that an official commit-tee grouping representatives from the Saudi Arabian Mone-tary Authority and the Minis-tries of Finance and Commerce,

register ownership and transfer of shares. Each bank has chipped in with

201-207 195-205

185-190

215-225

440-445 750-770

110-115

170-180 230-340

460-480

135-140

160-165

270-285

150-155

guaranteed by the Government and therefore hehave more like has yet to state clearly that it fixed interest bonds than wants an official stock market equities.

LEADING SAUDI ARABIA STOCKS (recent trading range of share price in SR)

Western Elec. Co. Eastern Elec. Co. MISCELLANEOUS BANKS (in SR) Bank Al-Jazira Saudi American 650-690 1,000-1,020 620-690 690-715 Saudi British Saudi Ceramics Co. Saudi Edibie and Saudi Hollandt 970-1,000 Saudi Al-Fransi Vegetable Oil 690-716 66,500-67,500 1,300-1,330 Saudi Fisheries Saudi Cario Saudi Fertilisers **Rivad Bank** Arab National Sandi National United Saudi Commercial Shipping Sandi Livestock 515-530 Saudi Investmen Banking Corp Sandi Real Estate 350-370 Saudi National CEMENT Gypsum Saudi Hotels and 1.300-1.350 Arab Cement Saudi Dammam Saudi Bahraini 1,320-1,350 Resource National Gas 190-195 Saudi Kuwaiti 195-200 270-280 Industries Co. **Oaxsim** Saudt Public Southern Cement 265-275 Transport Co. SAS Company 70-75 Hall Agricultural Co. 250-255 Yanbu 260-220 Saudi Yamami 3,400-3,500 UTILITIES Central Elec. Co. Nadec Ag. Co. Tabuk Ag. Co. 195-205

(SWCC) and even possibly the Arabian American Oil Company is currently studying the issue detail. in (Aramco).

At present, about 56 different (Aramco). There are considerable doubts within the private sector itself in some of these companies will prove attractive propositions, to make losses, and the SWCC is heavily dependent on state subsidy in carrying out the ex-pensive process of seawater desailontion at its 22 coastal eight cement companies and a growing number of agriculture desalination at its 22 coastal and service companies.

pany which is responsible for plants. Saudi Arabla's major new In any case, the Government Although most of the shares which give preference to the investor who hids for s small rial run and it proved a run-from now on in its dotation pro-away success, at least within gramme for fear of dumping too the Kingdom. By the time subscriptions too short a space of time, and the run skill,000. Their total formed last year by amalgamat-closed in early February Saudi thereby dampening investors' current book value is impossible ing the Saudi interests of United closed in early February, Saudi intereby nampening investors current book value is impossible ing the Saudi interests of build investors had put up enough enthusiasm. Some observers be-to estimate accurately but could Bank of Pakistan, Iran's Bank hids for the LSm shares of lieve that after the additional 10 be substantially more than Melli and Banque du Liban et SR 1,000 nominal value each, per cent of SABIG has been US\$ 10bn. Much of the trading D'outre Mer, was more than five representing 18 per cent of dispused of, no further major is extremely informal; there is times oversubscribed, the SABIC's capital, to huy them public corporations will be up no regulation and there is cer-twice over. for sale for 12 months or tainly no coordinated attempt were distributed among no in all, SR 3.7bu was raised, more. The Government has already signalled its disapproval of the unofficial stockbrokers. A year Al-Zamil, the Industry Minister least two private companies are and SABIC's chairman — "a also planning hig share offer-ings later this year: the Al inguidity in the Saudi private Rajhi Company for Currency sector." Flushed with the popularity of the first issue, the Govern-ment is now selling a further 10 per cent of SABIC's capital mand the signs are that this ago, King Fahd decreed that only Saudi banks would be allowed to act as share brokers. Before that ruling can be implemented, however, the banks used to equip themselves for what will he an entirely use line of business. As a first step, they are currently setting up a com-mercial company which will

The key to success in Saudi Arabia

is the partners you choose

it gets going, it will for e fee, maintain share registers for the Kingdom's joint stock companies; in addition, it seems it will 'act unofficially as the "eyes" of the authorities in the market. Officials say the authorities' cantion on establishing a proper

SR 1m giving the company initial capital of SR11m. When

stock market stems from two main factors. The most obvious and ofteu-remarked is Kuwait's Souk al Manakh trauma, in which the country's unofficial which the country's unomeal and unregulated stock market collapsed after buge specula-tion, leaving behind a mountain of post-dated cheques with e face value of US\$ 90bn.

At the very least, that has rammed home to the Saudis the need to plan any stock market extremely carefully. There are signs that in some official quarsigns that in some oricial quar-ters, the reaction goes further than that. "The iesson of Souk al Manakh is not that we should be scared of a stock market," said one prominent Saudi inves-tor, a trifle impatiently. "The lesson is that we abould speed up the creation of a well-organised market." In any case, say people of this In any case, say people of this school, the Knwaiti experience

has limited relevance for Saudi Arebia, given that post-dated cheques are illegal in the Kingdom

is the Government's coucern at what it sees as excessively concentrated share ownership in Saudi Arabia. These who are familiar with the unofficial mar-ket say that only a very small 222-227 percentage of shares actually changes hands ou a regular basis, reflecting the fact that the bulk is tightly held by a few people—eractly how few, no-body yet knows.

According to diplomats and bankers in the Kingdom, this offends the Saudi rulers' political inclination towards the small man. The Finance Minister, Mr Mohammed Aba Al Khail, has stated explicitly that the Government wants to ensure that all Saudi citizens have access to share trading.

Preference

access to share trading.

New issue rules often require distribution of shares as widely as possible. This bas been the case with the two SABIC issues,

ONE OF THE LEADING NATIONAL ESTABLISHMENTS

maintenance and operation capabilities

Buildings

Power Stations

Air Conditioning

Roads

Industrial Laundries

Freezing Rooms

Water Networks

Sewage Networks

Sewage

Treatment Plants

Multi-Storey Car Parks

IN THE KINGDOM OF SAUDI ARABIA

CURRENT CONTRACTING ACTIVITIES

Maintenance of Holy Makkah and Madinah Mosques
 Air Defence Facilities Throughout the Kingdom
International Firing Range (Ministry of Interior)
Water Network Maintenance Dammam and Al Khobar
Traffic Lights Control
System Throughout the Kingdom
Sewage Treatment Plants and Networks,
Makkah, Jeddah, Dammam, Al Khobar and Madinah
Aarial Spraying Fertilizers and Insecticides

Motor Vahicles Drivers' Training Schools: Riyadh, Jeddah, Taif, Dawadmi, Jezan, Alkharj, Almajmaa

Roads and Civil Construction
Installation Activitias Including:

Electrical Equipment

 Air Conditioning Equipment
 Electrical Networks
 Mechanical Works
 Power Generation Plants and Stations
 Multi Storey Car Parks Maintanance (Riyadh)

COMMERCIAL ACTIVITIES AND AGENCIES

Representation of leading International Companies e.g.

- Air conditioning Equipment (Tha Trane Co. Inc.)
 Gas Turbines (Kongsberg Co.)
 Traffic Lights Equipment & Controllers (Plessey Co. Ltd.)
 Driving Simulators (Doron)

RIYADH HEAD OFFICE JEDDAH BRANCH

Oleya Road P.O. Box 1438 Tel: 4544455 Tix: 202890 Haneen SJ

Dammam Branch Palestine Road P.O. Box 2618 Tel: 6675208

Dammam-Al Khobar Road P.O. Box 6404 Tal: 8754441

Tix: 602434 Dallah SJ

BRANCHES IN

• Makkah • Madinah • Tabuk • Taif • Khamis Mushet • Dawadmi • Jezan

Tix: 400080 Dallah SJ

FOR FURTHER INFORMATION PLEASE CONTACT: MARKETING DIVISION P.O. BOX 1438 RIYADH SAUDI ARABIA The case for doing business in Saudi Arabia

Perhaps more telling overall

IX



In all, SR 3.7bu was raised, more. according to Mr Abdul Aziz. This is largely because at Al-Zamil, the Industry Minister least two private companies are and SABIC's chairman — "a also planning hig share offer-

10 per cent of SABIC's capital tion Company, the private group -and the signs are that this which is seeking to establish offering will also be heavily joint light industrial ventures over-subscribed. Eventually, 75 with foreign partners. Al Rajhi

giving it probably the largest number of sharehoiders in the world.

Nevertheiess. despite Government's best efforts, hig operators are atill believed to be building up buge holdings simply by buying eut small shareholders at a hefty premium.

Thus, it seems that the next move towards the creation of an official market-which would uresumably consist of giving

banks the green light to start broking-will bave to wait until the Government is confident that shareholdings are sufficiently diversified and there is enough freely available equity in the market to prevent overheating. Optimists like Dr Dukhell

Optimists like Dr Dukhcii reckon there could be some kind of official market in two years, probably based closely on the West German or Swiss models in which a fairly small circle of banks under tight supervision of monetary authorities. have the market virtually to themseives. Others think the jury is still out on the issue. But a stock market is not all

But a stock market is not all that is needed if private capital is to take a leading role in Saudi Arabia's development. There will also be a need for commercial institutions spec-ialised in medium and iong term leading At present since Saudi lending. At present, since Saodi Investment Banking Corpora-tion became a straightforward wholesale bank, there is not a single one. In effect, the longest-maturity commercial loans to be obtained in riyals

are syndicated credits. The central problem in de-veloping commercial institu-tions in this area is the con-tinuing large involvement of tinuing large involvement or Government. Commercial banks simply cannot compete with the soft terms offered by the state's various specialised iending bodies, such as the Saudi Arabian Agricultural Bank, or the Real Estate Development Fund. Fund.

So, assuming that Saudis wish to invest at home—and on the evidence so far it would seem they do-there appear to be two main obstacles to the mobilisamain obstacles to the mobilita-tion of this vast pool of private capital: first, the Kingdom'a relatively unsophisticated finan-cial market, and second, the heavy hand of Government. The second obstacle cannot,

The second obstacle cannot, for all sorts of political and financial reasons, be removed in a burry. But when it is, Dr Dukheil, for one, is convinced that businessmen will adapt: "The private sector will read the private sector will read the signs very quickly. Those that cannot adapt will be swept out of the market."

Andrew Gowers

Practical business information on one of the world's fastest growing markets isn't that easy to come by. Which is why the Saudi British Bank has used its expertise to produce a comprehensive business guide to Saudi Arabia. Whether your goal is trade, projects, joint ventures or to work in the Kingdom, our practical information and advice will be of assistance. Just as our detailed knowledge of the Kingdom can be put to work for you in the provision of financial advice and services. The full information package includes a major profile of the economic and commercial life of the Kingdom with regular updates - a series of sectoral studies to be produced over the next two years, and a pocket guide for visitors. For a free copy of the Businessman's Guide to Saudi Arabia and details about our more specialist information on doing business in the Kingdom, please write to: The Company Secretary, Dept, FT, The Saudi British Bank, PO Box 9084, Riyadh, Saudi Arabia.

ies & Service Network Nationwide eddah - Riyadh - Jubail

BARDNER-DENVER

P.O. 8ox: 2223, Jeddah, Saudi Arabia. Tel:682 9353, Tix:401106 SUDARI SJ PARTNERS IN PROGRESS FOR 20 YEARS

IN AUTO AGENC

LOCKWOOD

KAWASAKI

SPERTY NEW HOLLAND

إلوكالة العربية للسيارات

The bank that understands Al Kharj - Alkhobar - Beraidah - Dammam - Hoffuf Jeddah - Jubail · Qauf · R-yadh

The Saudi

British Ban



The old fort in the centre of Riyadh

Ramadan).

Government and bush

Tariff restrictions

Ministry of information

and Yanhu, PO Box 5964_

SABIC (Saudi Basic Industries

Corp), PO Box 5101, Riyadh (tel: 4769700/4769828; teler:

201177). Sandi' Industrial Development

address, eg, PO Bor number, is used.)

. . . .

(tel: 4033200).

Entry requirements

stay.)

area

cities).

Passport, required by all except

pilgrims (with passes) and cer-

tain seamen. (Unexpired dura-

tion of passport must be at least

Mandatory: yellow fever within

six days of visiting infected

Advisable: anti-malaria in cer-

tain areas (but generally not in

entry requirements,

Commercial Bank,

six months beyond plan

SAUDI ARABIA 10

Finn Barre on the introduction of the '30 per cent rule'

Strict enforcement planned

WHEN the Korean cootractors arrived in Saudi Arabia and started dominating the con- 30 por struction industry, Saudi wags announced. jokod about the newcomers' self-sufficiency. The Koreans performed ontire contracts inhouse. The wags claimed the Koreans brought all thoir supplies from Korea, including thoir food. Then, the joke goes, they sent everything back, including the leftovers.

X

Western contractors were rumoured to he little better. Saudi businessmen bitterly sation public smear battering resented companies that pur-chased their machinery and goods overseas, depriving Saudi agents of commissions and

The Saudi businessmen voiced their complaints at a March 1983 meeting in Dharan when they met Ministry of Commerce officials, including



Saudi agent.

General Arabian Medical and Allied Services Limited (GAMA) is a 100% Saudi company founded in 1978. Its objectives are to manage, staff and equip hospitals and health systems throughout Saudi Arabia and the Middle East, and by so doing to establish centres of medical excellence. Experienced physicians, administrators, nurses. and other health-care professionals have been recruited from many different countries for employment in Saud

Since its founding, GAMA has successfully managed over Saudi Riyals one billion (SR 1,000,000,000) of hospitals and health-care services in Riyadh, Jeddah and Yanbu, Its largest project is the new and prestigious King Khaled Eye cialist Hospital in Riyadh, through a joint-venture with an American company,

Through its successful hospital operation in Saudi Arabia has gained a thorough knowledge of Middle East hospical management.

GAMA has been awarded and is in the final stages of negotiating a contract to provide consulting and recruiting services to the 600-bed Riyadh-Alkharj Military Hospital

The following are key GAMA contact addresses:

Director GAMA Services Limited P.O. Box 41726 Rlyadh 11531 Saudi Arabia Telex, 200805 GAMA Si

The General Manager GAMA International Ltd 6 Duke of York Street London SWIY 6LA England Telex: 8953762 Gameuk G

the Minister, Mr Suleiman al cent rule was on the way but 30 per cent rule but their argu-Solaim. Soon afterwards the when Deputy Minister of Com- monts have gone unheeded. 30 por cent rulo was merce Dr Abdul Rahman al- It is oasier to define tho

Zamil announced the decree them said The rule requires all nonmany of sounded draconian. After the announcement, months passed Saudi contractors on Govern-ment jobs to assign Saudi before the Government issued contractors at loast 30 per cent of the work in their contracts. any clarifications. Contractors were particularly oager to learn Contractors are also prohibited from importing machinery unless previously owned and used by them. Othorwise it must bo purchased from a what constituted a Saudi-owned company and what a foreign company.

Directives

Additionally, contractors are The rule had precursors. The required to use local transport Govornmont frequently issued oft-ignored directives that more for goods and personnel unless they are in-house transport Saudi products should be purcapability. Contractors are also chased and that Saudi participa-ton in contracts should be encouraged. Some forward-lookrequired to use Saudi Insurance firms and banking services and rent Saudi-owned property. rent Saudi-owned property. Catering for workers is also supposed to be provided by a Saudi firm. ing operators such as Aramco and the U.S. army corps of Contractors knew the 30 per

materials as part of their strategy to comply with the 30 per cent regulations. Moat companies that have enengineers had already taken steps to ensure Saudis received a share of their projects. Many however, folt that the extra cost paid for somo Saudi materials and machinory mado local purchase undesirable. In other instances nationalistic con-siderations dictated purchase of

ment mechanism has been established and the various Ministries diffor in thoir inter-pretations. Uncertainty is infrom the bomo products country. ereased because no big contracts None of those reasons satisfied Saudi Govornment officials. A lot of timo and havo been awarded since the

rule was announced. money bad been invested in early industrialisation and the Company approaches to the 30 per cent rule are going to be cautious. Bookkeeping will Government was not prepared to see the local cemont, brick become more important because other building matorial costs of bank transactions or manufacturers going out of business during hard times. A other services that are acquired from Saudi firms can be counted Council of Ministers ruling was passed in 1974 which required against the 30 per cent. Since consultancy fees can be counted purchase of Saudi-produced against the 30 per cent, commis materials. sions and consulting fees may

As Mr Suloiman Al Solaim start appearing as components has explained, shortages of building materials were comtoon in the mid-1970s, which meant that the Government afford a laid-back de. When it became could attitude obvious that a construction slowdown was in progress the 1974 council ruling was recalled and

began to be enforced. Tho 1974 regulation was the basis for the 30 per cent rule. The rules, now clarified by tion as the first line of whistletho Ministry of Finance defines non-Saudi companies as those

which have less than 51 per cent Saudi participation in the equity. It also applies to temporary

partnerships between Saudi paid a Saudi to supply an and foreign companies that address. In that way they have been formed to carry out avoided the law. In the case of specific projects. Some foreign the 30 per cent rule the Governcompanies have argued that a ment investigators will hunt for 30 per cent participation by a phantom Saudi firms which are Sandi partnor should fulfil the foreign in all but name.

Business Saudi-owned sub-contractor. That company must be 100 per Guide cent Saudi-owned. Only 100 per cent Saudi-owned companies qualify for the 30 per cent of

and the second second

Flag Green background with, in white, the script "There is no God but Allah, and Mohammed is the Messenger of God " and, undornoath, a whito sword (symbolising war waged for the sake of Islam). dustrial companies are joint Area

At least 2,149,690 sq km (some bor undefined). boundaries/areas are

Population Recent estimates Vary between 8-9m (census taking is made difficult by nomadie sector countered the 30 per cent rule made difficult by nomadie are still unsure what form it and illegal immigrants). Climate

Vise: required by all except nationals of certain neighbour-Jeddah and region. In the summer (April-October) tempeing states. Prohibited entry: nationals, visasummer (April-October) tempe-rature range 18 deg C-38 dog C; bumidity 90 per cent plus. Decembor-January, 18 deg C is normal (extremes recorded: bigh 47 dog C, low 9 dog C). Dbahram and region: similar but bolders. Jowish travellers or those with ovidence of travel in Israel; certain Yemenis. (Note: particularly visa regulations are subject to periodic modificasummer maximum may roach 43 deg C. November-March temporatures slightly lower and spasmodic thunderstorms occur. tion.) **Health** precaution

Riyadh and region: summor temperatures can reach 50 dog C but during December-January night-time temperatures may even fail to near freezing point. Thundorstorms

can occur between November and March. Dust storma can be Banks Main centre: Jeddah troublesomo May-September. Head offices: Al Bank Al Saudi Alami, Al Bank Al Saudi Al Rainfall: Riyadh - January-May average annual rainfall around 85 mm; Jeddah Fransi, Al Bank Al Saudi Al

Hollandi, Bank Al Jazira, Islamic Development Bank, November-January 60 dog C-65 deg C. National Somo inland areas receive virtually no rainfall. There are no permanent rivers

around 100 mm supplies deep "wadis" and sub-tropical vegetation. Time

Language



offset system

founded by Mahsoun Bahjat JalaL The U.S.\$171m FOREIGN COMPANIES when ning large scale contracts in JalaL.

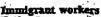
te previde industrialisation.

The C31 system will inte-grate the AWACS aircraft into a total defence system for Sandi Arabia. It will include the air defence system being assembled by

system being assembled by France's Thomson CSF under the multi-billion dollar Shahine missile deal. If the AWACS effect programmo is successful, future contracts involving high technology and large sums of money will probably be subject to similar but modified requirements.

F. B.

expertise and finances.



Estimates vary but are generally in the range: Yemenis, over im; Egyptians 150,000; Pakistants 100,000; South South Koreans 20,000; plus Europeans. Embassies in capital-

Afghanistan, Algeria, Argen-tina, Australia, Austria, Bah-rain, Bangladesh, Belgium, Brazil, Cameroon, Canada Brazi, Cameroon, Canara, Chail, Denmark, Djibouti, Ethiopia, Finland, France, Gabon, Gambia, German FR Ghana, Greece, Guinee, India, Indonesia, Iraq, Ireland, Italy, Japan, Jordan, Kenya, Rep of Korea, Kuwatt, Lebanon, Libya, Malaysia, Mali, Mauritania, Morocco, Nepel, Netherlands, Niger, Nigeria, Norway, Oman, Pakistan, Philippines, Qatar, Senegal, Sterra Leone, Somalia, Statu Spain, Sudan, Sweden, Switzer-land, Swia, Taiwan, Thailand, Tunisia, Turkey, Uganda, UAE, UK, USA, Upper Voltz, Uru-guay, Venezuela, Yemen AR, Yemen PDR, Zanbia,

nt Bank

International headquarters Islamic Devolopment Bank Banking bours: 0830-1200 and PO Box 5925, Jeddah (tel: 6433994/5; 1700-1900 (Sat-Wed) 8.30-11.90 (Thur) (exceptions: Fni closed; hours may be reduced during elex: 401187/401407). Organization of the Islamic Con-ference

Secretariat-General Government offices: 0703-1430 (Thurs, Fri closed). Kilo.6, Mecca Road PO Bor 178, Jeddah. Membership of International Commercial offices 0708/0830/ 0900-1200/1330; 1630-1930/2000/

GATT, HLO, DAT, OAPEC. 2030 or 1430-1700, some office work 0830-1639 (enceptions: Fri OPEC, UN, WHO, Arab Fund for Economic and Social Develclosed; bours may be reduced during Ramadan), onment, Arah League, Gnlf Cooperation Council, Islamic Con-ference, Islamic Development Restrictions: pharmacenticals Prohibitions: alcohol, arms and Bank, World Bank,

Internal travel Air: comprehonsive domestic service operated by Sandia; total of 22 sirports.

ammunition, narcotics, pig pro-ducts, any trade contact with Israel or "blacklisted" entity, or goods of Israeli origin. Road: 21,585 km highways and asphalted roads (1981); further or goods of Israen ungul. Main development agency Central Planting Organisation Ministry of Planning, Riyadh. Useful business addrasses Jeddah Chamber of Commerce and Industry PO Box 1264. Jeddah (tel: 4023535/4024824. telex: 401069). 24,200 km rural roads.

122.2

. . .

- ers

n 2 -

100

= •

E77 .

77.2

74

AL 125

24,200 km rural roads. Bus: coach services under development eg Dbahran-Damman; Mecca-Riyadh. Rail: three classes; air-condi-tioning and refreshments avail-able. Diesel rail cara, twicedaily in each direction, link Damman and Riyadh (via: (Riyadh (tel: 4025500/4025512; teler: 200186). Abgaiq, Al Hofuf, Ain Haradh, Al Kharj). Journey timo guido; seven hours.

Broadcasting

PETROMIN (General Petroleum and Mineral Organisation)-PO Bor: 757; Riyadh (tel: 4761113/33; teler: 201490): Radio: national service in Arabie and English; external service in numerous languages; Aramco operates an English-Rivadh, Chamber of Commerce

language service. and Industry, PO Box 596 (tel: Television; state service gives 8 hours/day regional coverage; 4040044; teler: 201054).... Royal Commission for Jubail some areas also receive external television transmissions.

Have yellow number plates; generally considered advisable to ascertain official fare beforehand. Car hire

International or foreign licence Fund, PO Box 4143, Riyadh to be presented to authorities women are not allowed to (Note: correspondence to government departments in Ryadh is simply sent to the Ministry concerned, no further artve).

Insurance claims not legally enforecable and claims against insurer are settled informally, Source: World of Information's Middle East. Boview.

の変換



Official: Arabic, Other; English.

blowers, Before the present regulations were passed machinory imports were required to be delivered to a Saudi firm's address. What happened was that contractors

of bids instead of being buried in statistics. Somo industry analysts aay joint venture agreements may be altored to permit the Saudi partner to function as the sub-contractor rathor than joint venture partner. The Government, bowever, has announced that it will diligontly hunt down evasion. It also expects Saudi firms to func-

the projects.

ventures.

According to the Ministry of

Finance statement, materials must be manufactured by 100

per cont Saudi firms to qualify

technically as a Saudi vendor-contractor for the 30 per cent. The contractors say that many Saudi-produced products are not made by 100 per cent Saudi firms because most of the in-

ventures. The point needs clarification because contractors

plan to use purchase of local

will take when enforced. No government-wide enforce-

What merchant bank has over 60 points of contact throughout the Middle East?

Through our close association with the British Bank of the Middle East, which has over 50 branches throughout the region, Wardley Middle East can provide the full range of services you would expect of a leading merchant bank.

As part of Wardley Limited, a leading force in Asian corporate banking, and a wholly owned subsidiary of the Hongkong Bank Group, with assets in excess of US \$58 billion, we have the essential resources to back our customers.

And with over 90 years experience of finance in the Middle East to draw on, we know how to help

them best in this area.

When you come to do business in the Middle East contact us at our head office in Dubai, or through any of the branches of the British Bank of the Middle East.

WARDLEY MIDDLE EAST LIMITED DUBAI \mathbf{x} member: HongkongBank group

Head Office: P.O. Box 4604, Deira, Dubai, U.A.E. Telex, 45806 Wardub EM, Telephone: 221126/7/8/9.

are likely to b faced with increasing pres-sure to reach offset agreemeats under which part of the work will be undertaken by local suppliers.

The strategy is being pioneered in the negotiations for the award of the U.S.\$3.940n command and control system for AWACS surveillance, aircraft. Under the contract, the successful bidder will be required to invest \$525m in joint ventures

invest \$525m in joint ventures with Saudi companies. Three team of U.S. com-panies are competing for the U.S. Federal Military Sales Office-administered contract: Boeing and Westinghouse; ITT and Litten; and Hughes and Collins.

The offset programme is designed both to invest more designed both to invest more money in the economy and to encourage the transfer of technology know-how. Con-sequently, the Government frowns on labour-intensive operations, but approves pro-jects in the mining, food processing, chemicais and manufacturing fields.

Expertise

The successful American company will have to invest 50 per cent of the money in ventures and supply manage-ment, advanced technology,

ment, advanced technology, and marketing expertise. Once the Offset Committee, composed of the Ministry of Commerce, Finance, Plan-ming, Industry and Electricity, and Defence, approves the project and Sandi partners, funds will be raised by govern-ment loans and floating shares. Up to 50 per cent of capitalisation will be provided by organisations such as the Sandi Industrial Develop-ment Fund (SIDF). ment Fund (SIDF).

Although the Government is providing incentives, it makes clear that it will not guarantee the joint ventures. Officials expect, however, that

the joint ventures will be profitable. Aithough offset require-ments are new in the King-dom, the Saudis stress that offset regulations are common throughout the

developing world. The Command, Control, Communications and Intelli-gence Systems (C31) provides an ideal test-bed for the effset programme. The AWACS C31 is expensivo and it is too far advanced for local firms to tackle. The main difficulty for the

U.S. companies in the offset programme is identifying areas for profitable joint

Oce firm expected to play a role in the offset joint ventures is the National Industrialisation Company

Before going to the Middle East. look at the Annual Report. Few people would even dream of investing in a company without flux randing its annual report. So why approach investment in a conduct nay differently? If you's thinking of doing business in the Middle East, you'll find no more reliable price to the economics, policies and people of the country you're visiting than the 1984 Middle East Review. Middle East Review is this you's summal seport on each of the repier's focumation you may summal seport on each of the

Require 2 the remaining some of the world's most d some many some of the world's most d some many some of the some of the some setting a strictly imparial samples of trends and well as the most authoritation and reaches. To join a list of subscribers that reach like an international Who's Who order your copy now. WORLD OF U.K. / EUROPE \$90 or \$19 U.S.A. \$45 or #28

Send your order to World of Information, 21 Gold Street, Saffron Walden, Essex CB10 1EJ, U.K.

Millin horelandaria

IF YOU'RE AFTER A LITTLE MORE CARE AND ATTENTION, HERE'S THE RIGHT ADDRESS:

> MINHAL **RIYADH HOTEL**

SAUDI ARABIA 11



A woman in a man's world shopping centres, it wouldn't hurt to wear a black garment or scarf to cover your shoulders and head. The Sandi women wear black yells

pulled tightly over their heads and incked under their chins, in addition to the robes. I didn't follow suit for fear

of losing my way under the hlack cloth. The south I visited was patrolled hy an elderly member of the religious police who ignored me and the ether western

women nearby. You will often find yourself

eating on your own, behind a screen, if your guests invite you to a staff canteen. I convinced by hosts to join me behind the screens and found we all received better service

as a result. The screen business disappears outside

Riyadh, as do the problems about driving in the front seat with a bushand. I couldn't help querying a young Saudi woman who sat

next to me on an internal flight whether she minded

night whether she minded wearing the robes and deal-ing with all the restrictions. She smiled and said: "I have two reactions. One says it is more comfortable not to bofher about my looks when I go out. I can just do my shop-ning in proce

ping in peace. "The ether says, I know this

cannot last. As more girls go to university and want to have jobs, I think things will change. If we want to be a

modern country, they will have to."

time is ripe to visit Saudi

Arabia.

For a western woman, the

dom's oil exports.

allure,

Iran continues to broadcast

I HAD prepared myself fer I half prepared myself fer just about anything. I had packed flowing black gar-ments to cover all bits of my anatomy and dress. I had bought a new edition of War and Peace to fill in the long evenings and picked up \$500 in travellars changes for in travellers cheques emergencies.

In the end, I need only have bothered about War and Peace. A Western woman visiting Sandi Arabia will be pleasantly surprised to find that she will be treated very similarly to her male col-leagues, if not better.

So few women are seen out-side the bome that the entrance of a woman into a Saudi resturant or office is an occasion for all the men present. But the looks you will attract will not be lascivious, but respectful, verging en awe. It's great for the ego.

There are a few things to keep in mind, however. As only men hold jobs in Saudi Arabia, yon won't find any women's loos in the offices yon visit. As a result, nevergo into an botel or a friend's residence without considering the nse of its facilities.

Women can't drive in Saudi Arabia and in general aren't supposed to ride in cars with men who are not their hushands. As my husband was in London, I hroke this rule daily. I was never stopped or questioned and I think this taboy is loosening. It is important to carry your passport and other documents with you, however, when you are driving about with other foreigners.

when visiting the gold souks and other even air

¥ 🔆 🤆 . 1000

4 3

Relaxation of controls eases the tension

Michael Field reports on efforts to improve the economic and social status of the Shias

FOUR peaceful years beve separate the sects concern the passed since the riots which shook the casis of Qatif in November 1979 and February succession to the Caliphate after the death of the Prophet in the eighth century and the authority which the Shias give to their November 1973 and reprusry 1980. The violence involved members of the schismatic and mystical Shia sect of Islam, who number about 300,000 in Sandi Arabia and make up 30 per cent of the population of the Eastern Province. ulema — religious leaders. Whereas Sunni ulema ere simply learned men, the Shia divines have a spiritual authority. They are regarded as Eastern Province. being closer to God than ordinary mortals.

Eastern Province. For both the Sandis and the world outside the riots were disturbing. The first ontbreak coincided with the famous occu-pation of the Grand Mosque of Mecca by Juhayman Mohammad al Otaihi, and, like that episode and the minor riots and demon-strations that had occurred in Bahrain since the Iranian revo-The most conspicuous, and In orthodox eyes offensive, differences between the two sects are matters of the Shias' rituals and outlook on the world, which reflect their history as an oppressed minority. Shiism emphasises the messianic and Bahrain since the Iranian revo-lution of February 1979, it showed that the Arabian oil states might not be as stable as they appeared to be. pathetic aspects of religion. According to one of their own number, its adherents can he "a miserahle self-pitying" people.

In particular, the Shias seemed to pose the threat of sahotage to Saudi oll installa-tions. They provide more than a third of the workers employed in oil production. The oasis of Qatif, Seihat and Safwa, which is entirely Shia and has a popu-lation of some 150,000, extends half-way across the neck of the Ras Tanura peninsula, through Where their rituals are tolerated, in Iraq and Bahrain, during the month of Moharram they hold processions and per-form plays which celebrate the tragic and bloody martyrdom of their early saints. Gory processions of chest beaters and hack flagellants troop chanting through the streets. Ras Tanura peninsula, through which pass most of the King-

Most Muslims regard these processions merely as bizarre curiosities. The Sunni inhabitants of the Eastern Province, who come originally from central Arabia, mix easily Since the riots subsided there seem to have been no political incidents—either in Qatif or in the bigger Hasa with the Shias. oasis, which is about balf Shia.

Marriages

subversive radio propaganda to Arabie; there is even a televi-There are Sunni-Shia friend-ships, though not marriages. In some cases people have consion programme, in Arabic, beamed to the area. some cases people have con-verted from one sect to another. Three years ago the broad-casts commanded much etten-A member of the Ajaji family, tion, because Iran was felt to he which bas a Sunni branch in Bahrain and a Shia hranch in a truly Islamic regime which would restore the Muslim world the Hasa oasis, bas said that the religious divisions in the family's ranks occurred 100 or to its lost glory. Now the bru-tality of the revolution has caused it to lose much of ita 200 years ago when some of its members left Nejd and settled "The problem of the Shias,"

by chance in e mainly Shia village in Hasa. Over a genera-tion or two this branch gradually adopted Shia customs remarked a very able and sym-pathetic Saudi somewhat optimistically earlier this month, "Hq a matter of civil rights rather than politics." He went ou to suggest that if the Shias were and Shia ways of religions thinking. Sunnis employ Shia workers

treated with respect and if a real effort was mede to develop Qatif—as should have happened -and the more enlightened give them time off for Shia bolidays. In Aramco and in the long ago given the make np of bolidays. In Aramco and in the the population—they would University of Petroleum and bave much the same attitude to Minerals, both of which have Shias among their senior staff, sectarian differences are the regime as other Sandis.

is ripe to visit Sandi Carla Rapoport

businessmen Import Shia merchants who

Jurisdiction

The Shias bave been made subject to the jurisdiction of courts precising the strict Hanbali interpretation of Sharia lew, rather than to their own Jeafari courts. The only exceptions concern matters of inheritance and some other family issues, where Hanhali judges send cases for decision by Government-approved Shie officials.

Needless to say public mani-festations of Shia religious practice and ritual, such as brightly decorated mosques and Mohar-ram processions, bave been banned—at least until very recently.

The older generation of Shias Qahtan tribe, but in Shia eyes traditionally as accepted its he is an enormous improvement inferior status and bas been on his predecessors. He is able gratefuly for what prosperity and intelligent, respects the has been brought to it by elderly and has won the Aramco. Younger men were approval of the Shia religious greetly stirred five years ago leaders. hy the Iranian revolution. This More recently, in the spring hy the Iranian revolution. This event quickly made its way into discussions at the Husainiyas, the National Guard in the religious study centres which discussions at the Husainiyas, or religious study centres, which Eastern Province was ap-pointed. He is Prince Mishari bin Saud bin Abdul-Aziz, an are an important feature of Shia religious and social life. intelligent modern-minded per-sonality and one of the few men of ability among the numerous

The resentments of the young boiled over in the riots of Qatif boiled over in the riots of Qahr Sonanty among the numerous in 1979 and 1930. The first of ability among the numerous episode began when the authori-ties intervened to stop a Apart from being good for the Moharram procession, held by Shias—the Guard was used to moving men whose confidence quell the riots in 1979 and 1980 —the appointment marked a and impertinence had been in- —the appointment marked a flated by events on the other step towards healing the side of the Gulf. The second divisions in the royal family riots, in February 1980, occurred that were caused hy the deposi-when the Shias celebrated the tion of Saud hin Abdul-Aziz in first anniversary of the Aya- 1964, tollah Khomeini's return to Iran. In all some 20 people died in

Government.

about it.

legislation.

than his predecessors but also

Processions

The older generation of Shias Qahtan tribe, but in Shia eyes

The appointments have been After the riots the Government acted to lessen Shia resent-ment. Prince Ahmed bin Abduleccompanied by a more relaxed approach to the Shia festivities Aziz, the Deputy Minister of the Interior, and King Khaled (twice) visited the Eastern Province and listened to Shia in Moharram. Unofficially, very modest processions now seem to be permitted. The National Guard, which is an almost entirely Nejdi force, is kept away from the streets during notables. Other senior Saudl officials in 1980 spent much time investigating the griev-ances of the sect and concluded this highly emotional period. There is also e new emphasis that the Shias disliked the

on the development of Qatif. Eastern Province Governor, the Fairly large scale government silent Ahdul-Mohsin hin Jilnwi spending in the casis began onc (the younger brother of Sand), felt neglected and were relucor two years before the riots but the pece of development has quickened since. tant to accept loans from the

XI

In Qatif and on Tarut island, Now it is known that both the Minister of the Interior, Prince Naif hin Abdul-Aziz, and the director of Saudi external which is joined to the oasis by a short causeway, there are large numbers of new houses, mostly financed by the Real security, Prince Turki al Faisal, are very eware of the issue of Estate Development There is an estate with free Shla civil rights and concerned housing for low income earners and an attractive new training centre for electricians and mechanics. Other recent pro-There has been talk of replacing Abdul-Mohsin bin Jiluwi, jects have included road who is not only less frightening improvements, a sewerage system, schools and e hospital. much less impressive. Candi-detes are Prince Khaled al Qatif today does not look Faisal, who has e bin Juluwi mother and has been highly very different from other Sandi provincial towns. A telling comparison can be made on Tarut island, where there is no successful as governor of the province of Asir, and Prince Ahmed bin Abdul-Aziz, who is obvions difference in wealth or a full brother of King Fahd and Prince Naif. A decision of this development between the town of Tarut itself, which is Shia, issue probably awaits the long-promised provincial government and neighbouring Darin, which is Sunni.

Michael Field's book, The Merchants — the Big Business A new governor of Qatif town, Mobammad as Sherit. Families of Saudi Arabia and was appointed in 1930. The the Gulf, is to be published by governor is a Sunni of the John Murray at the end of June.

RAED GRAPHICS

The pace of development in Shia settlements is quickening. Above an irrigation project at Hasa casis. died in 1981, used to do mncb of his basiness in partnership with Abdullah Found and Ali Tamimi, two well-known Sunni

secote them

are active now are Hassan Nemer, who owns a botel in Dammam, Abdullah Bayat, who bas large real estate interests in Qatif, Said Nahrous, a foodstuffs importer, and Abdullah Matrood, who runs modern and efficient baking, laundry and dairy operations. The prosper-ity of these men gives the lie to the common belief that there are no significant Shia business-men in Saudi Arabia.

The people who look upon Shias with disgust are Nejdis who live or have their homes outside the Eastern Province. These men are brought np in an austere, strictly unitarian tradition which ebbors the veneration of saints.

"It is stupid and wrong," e young prince remarked recently sbowing fine logic but a sub-lime insensivity, "for one to lime insensivity, "for one to mutilate oneself in penance for an evil that was committed 1,300 years ago and which one cannot personally prevent." The prince added that what the Shias did was against every-thing be hed been taught was right since be was e child. In his view, and in the view of many others in the Sand family and the Nejdi tribes, the Shias

the disturbances. political and legal establish-ment. The first two governors of the province, the terrible Abdullah hin Jiluwi and his equally severe son, Saud, never missed an opportunity to per-

tricity Corporation in Riyadh, and, since Dr Ghazi Algosaibi formally took over the Ministry last autumn, Deputy Minister of Health. The other is Jalil al Saif, who is an assistant minister in the Ministry of the Interior and bas the important

Even in the more enlightened times of the last decade only two Shias have attained senior government positions. One is Jamal Jishi, who has been in succession Director General of the Jubail project, vice-governor of the General Elec-

job of authorising the issue of block visas.



Omar K.AlEsayi & Co. Ltd. Head Office, P.O.Box 8361,

Jeddah 21482. Saudi Arabia.

The Omar K AlEsayi Group of Companies is highly diversified with a range of interests from trading through industry to agriculture. Outlined below are details of the Group's major divisions, their achievements and activities.

CONSTRUCTION

The construction division has been directly involved in the building of airports, townships, housing, and shopping complexes. Examples inlude Taif Airport, The Ministry of Finance in Jeddah, and an official residence for the Royal Family in Makkah. The division includes joint ventures with major international contracting and construction companies. TRADING

This division is very active in the importation, distribution and sale of a whole range of products including cars (the Group is the largest Mitsubishi dealer in the Middle East), buses, trucks, spare. parts, fertilizers, seeds, general household wares, textiles, foodstuffs, fashion, cosmetics and performe. INDUSTRY

In support of the belief that industry is the foundation of Saudi Arabia's future prosperity, the Group has made substantial investments in a number of industrial projects including: The bottling of mineral water and soft drinks (including 7 Up and Canada Dry); the manufacture of carpets, sponge, GRC panels and Hollowcore ceilings and floors; and the refining of vegetable toil and sace.

TRANSPORT'

The Group maintains a large fleet of trucks a majority of which are used for the transportation of cement. BUILDING MATERIALS

Affied to the construction boom which has taken place in Saudi Arabia the Group has been a major supplier of steel bars, timber and cement as well as a whole range of other building materials. FOODSTUFF

The importation of bulk foodstuffs has been of prime importance to the Kingdom over the years and the Omar AlEsayi Group has maintained a substantial position in this field importing and distributing such commodities as barley, rice, sugar, edible oils and sorehum.

AGRICULTURE

A substantial acreage of agricultural land is owned by the Group oo which it grows vegetables, wheat, barley and corn. Io accordance with the Saudi Government's wish to reduce its dependence oo imported food, further areas will be brought under cultivation on the satisfactory completion of the current water drilling programme.

MACHINERY

The machinery division has four sections; Power Generation, Construction Equipment, Handling Equipment and Agricultural Machinery and Implements. Between these sections are handled generators, excavators, forklift trucks, contractors plant, tractors, irrigation equipment, pumps and pump engines, and agricultural implements from a range of international suppliers. DECOR

This division is active in the design and furnishing of office and residential huildings throughout the Kingdom.

HEALTH and LEISURE This relatively new divisioo bas already become an important supplier of fitness equipment, spas, jaccuzzis and saunas.

TENDERS For many years the Group has been a major supplier to the Saudi Arabian government and to government ageocies. All such supplies are handled by this division either in close co-operation with other members of the Group or by direct international purchase.

SERVICES

As the demand for professional services has developed in the Kingdom so the Group has expanded 10 meet this oeed. Presently interests are maintained in insurance, travel and tourism, and, in association with an international company, the provisioo of first class maintenance services to the owners of machinery and

INVESTMENTS

To enable the Group to maintain a close watch on the soft commodity markets around the world a commodity trading company, SWITRAX (telex 23661 SWIT CH) has been established in Geneva with Hayel Saced of North Yemen. This company ensures the importation into the Kingdom of all commodities at highly competitive prices.

Addresses; Jeddah, P.O.Box 8361, Tel: 6478501, Telex: 400895 OKACO SJ. Riyadh, P.O.Box 6456, Tel: 4773660, Telex: 201163 OMACO. Branches: Damman, Alkhobar, Khamis Mushait, Makkah, Madinah, Tabuk.

SAUDI ARABIA 12

د. د و در شیروی در موجود می از مصروف در در د

ISLAM

PRINCE TURKI AL FAISAL, one of the highly articulate sons of King Faisal and director of Saudi external intelligence, has a small game which he plays with Westerners.

He tells them that there are many simple people in Saudi Arabia who believe that the only reason they have oil is that they have been good Muslims and have therefore been favoured hy God. The prince watches his visitors smile and then adds that he believes the same himself.

Islam is the dominant force in the life of Saudi Arabia. The original purpose of the state was the propogation of a purer form of Islam, and officiallyand to a great extent practically-the state remains dedicated to this cause today.

The King's speeches are thick with references to the Quran. The words Bismillah ar Rahman ar Raheem, "In the name of God, the Merciful, the Compassionate," appear everywhere from the title page of the national plan to the test pattern on the television.

The lists on this page describe Islamic institutions and officials and define religious terms that are often heard in Saudi Arabia. They have been compiled by Michael Field.

The legal and religious institutions

OFFICIALLY in Sunni Islam there is OFFICIALLY in Sunni Islam there is no ordained religious hierarchy endowed with spiritual authority. In practice in Saudi Arahia the religious leadership is constructen along slightly more formal lines. The Kingdom has a number of religious and legal institutions which are often confused with each other. The most important of these are listed below. Higher Council of the Qada (Judlei-arch: an extremely important institu-

ary): an extremely important institu-tion, which acts as a supreme court and supervises the ordinary Shariah courts beneath it. The Higher Council is the unofficial

successor of the last Saudi Grand Mufti, Sheikh Mohammad hin Ibrahim Al as-Shaikh, who died in 1969. At the time of the Grand Mufti's death King Faisal did not want to have only one man as leader of the Saudi religious establishment—the Ulema. This was mainly because he did not

want to appoint to the post Sbaikh Abdul-Aziz bin Baz, who had recently quarelied with the King over his ruling that the earth was flat. In these circumstances the institution of a Higher Council composed of several emilient religious leaders seemed an expedient

The leader of the Council until his death in September 1982 was Shaikh Abdullah Humayid. No successor has yet been appointed,

Higher Ulema Council: not to be con-fused with the Higher Council of the Qada, The Higher Ulema Council con-siders broad matters of Islamic affairs and issues fatwas (legal opinions). It has no judicial authority and is not a prominent institution. Higher Institute for the Qada; a train-

Higher Institute for the Qada; a train-ing school in Riyadh for lawyers. The Higher Institute takes those graduates of the numerous Shariab colleges (equivalent to bigh schools) who wish to become lawyers—as opposed to Sbariah college graduates who wish to become teachers in schools and universities. The Institute awards MAs and Phds. The institute aways must also Phds. When men have passed out of the Institute they go to work for qadis (judges) and after a time are appointed junior qadis themselves. Sharlah colleges: high schools for

religious learning, under the authority of the Ministry of Higher Education. There are numerous Shariah colleges in Saudi Arahia, with students who are aspiring to become either teachers or lawyers. It is members of these two professions who make up the core of the professions who make up the core of the religious establishment.

Ministry of Justice: concerned with the financing and administration of judicial institutions. The Minister is Shaikh Ibrahim hin Mohammad bin Ibrahim Al as-Shaikh.

Department of Religious Research, Itah, Dawa and Guidance: headed by Sheikh Ahdul-Aziz hin Baz, who is the senior member of the Sandi religious establishment. The Department is in charge of

missionary activity (Dawa-Islamic Call), which is aimed mainly at improving Islamic teaching in Africa and the Far East.

In Saudi Arabia its most conspicuous activity is the giving of legal opinions (fatwas) on issues that are placed before it by Saudi citizens or the Government. A subject on which it has often been asked to pronounce recently is insur-ance, which devout Muslims see as a presumptuous attempt hy man to pro-vide against the financial consequences of God's will.

of God's will. A statement issued by Sheikh Abdul-Aziz at the beginning of April was entitled "A Warning against Travelling to Countries of the Heretics and the Danger which such Trips Constitute for Faith and Morals." The statement spoke of the corruption that could stem from which the Wort where would visits to the West, where youths could attend "dancing parties, discotheques and dancing contests with girls at night clubs and other suspicious places."

Presidency of the Haramain: under Sheikh Sulaiman bin Obaid. The Presidency is responsible for all matters to do with the mosques of Mecca and Medina,

Mecca is the hirthplace of the Prophet and the principal centre of Islamic

medina is the city which sheltered medina is the city which sheltered the Prophet when he left Mecca and in which he founded the first Islamic state. The Prophet is buried in Medina, as are

several members of his family: Hamza, bis uncle, Fatima, his daughter, and Aisha, his principal wife. Members of the Prophet's family are revered by the Shias, which is why Medina is a particularly important centre of pilgrimage for them. There are Shia workers from Qatif in the date groves of Medina. Contrary to common belief, no Shia imams are buried in Medina. Ministry of Haj and Awqaf: administers the Haj (the pilgrimage) and charitahla endowments (awqaf-singular waqf). Awqaf are given to finance mosques and an enormous variety of charitable causes—schools, homes for divorced women, hostels for poor foreign students,

poor foreign students, Committees for the Commendation of Committees for the Commendation of Virtue and the Condemnation of Vice: (Hai'ah al Amr bil Marouf wa Nahi 'an al Monkar): headed by an eutonomous presidency under Sheikh Abdul-Aziz hin Mohammad hin Ibrahim Al as-Shaikh, the hrother of the Minister of Justice. "Committees" is a somewhat outdated expression, because the members, who were once volunteers, are now govern-ment employees, and the regional offices are now thongbt of more as branches of the Presidency in Riyadh than as indethe Presidency in Riyadh than as inde-

pendent committees. The members of the committees (known as mntawa) have a mentality that is a cross between that of vigilantes and social workers. They make it their job to are that people stop work for prayers and behave in a dignified way in public. The committees provide an

in public. The committees provide an outlet for the enthusiasms of the young Islamiyyin-fundamentalists. Islamic University: in Medina. The religious university for students of the whole Muslim world, under the super-vision of the King. Umm al Qura University: in Mecca. Formerly a branch of King Abdul-Aziz University in Jeddah, independent since 1981. The university has a strong

University in Jedoan, independent since 1981. The university has a strong religions faculty and a bias towards bumanities, but it is not completely dedicated to Islamic learning. Imam Mohammad bin Sand University: in Riyadh. Like Umm al Qura, the Mobammad bin Saud University has an Islamic blas, specialising in law, religious doctrine and Arabic literature.

A guide to Islamic terms and officials

'Alim: A learned and respected

sees one present. An Imam can also be the leader of, the community, King Abdul-Aziz was often referenced to as "the Imam." as was his ancestor, Mohammad bin Saud, the

founder of the first Saudi state. Both of these men led the prayers of their

المعادي منهما المحكة المستعملة المحكمة المعادية المحكمة المحكمة

of major saints. Mnemin: The man who calls the people to prayer. The mutazin and the imam together make up the establishment of a mosque. In Saudi Arabia they are government employees. Khatib : The man who gives the set-

mon (kinutha) on Friday (Juma). Ser-mons are given by teachers or lawyers -not by the regular imams of the

-not by the regular imams of the mosques. Sheikh: Literally an elder — the root of the word is used either as a general term of respect or to mean "teacher." The Al as-Sheikh. — "the family of the Sheikh" — is descended from Mohammad bin Abdul-Wahab, the sheikh/teacher who was esponsed by the Jimam Mohammad bin Saud in the early 18th century. The Al as-Sheikh is the oldest teacher or lawyer. A man is not appointed an 'alim-the word does not. denote a title or position—he comes to be accepted as an 'alim by those around him. The plural of 'alim is ulema, though the expression alema is normally used to denote the religious establishcentury. The Al as Sheikh is the oldest ally of the royal family and has often. used to denote the religious establish-ment as a whole. Iman: Literally "he who-goes before " —the man who leads the prayers. Normally the word applies to the regular leader of prayers in a mosque. This man will probably be a relatively uneducated person who will defer to an "alim or other teacher or lawyer if be sees one present. An Imam can also be the leader of married into it. Muwahiddia : Unitarians. The expres-

sion comes from the word fawhid — monotheism or unitarianism. Muwahid-din is what the strict Muslims of Saudi Arabia call themselves. Westerners refer to them as Wahabis (after their reforto them as wanans (arter their trefor-mist teacher Mohammad bin Abaul Wahab), which is ironic, because the main tenet of unitarian doctrine is that only God should be worshipped — not, members of the Prophet's family or other boly man.

Quran: The Muslim holy book --actual words of God as recorded by the Prophet Mohammad.

Hadith: the day to day actions and sayings of the Prophet, repeated by his friends and written down in the two centuries after his death. Sunna: the body of Islamic learning made up of the Hadith, together with

of these men led the prayers of these followers. In Shia Islam the word Imam again means the leader of the community but, refers specifically to the men whom Shias regard as the 12 successors of the Prophet. These were all direct descen-dants of the Prophet and have the status

-----and the second state of th

the teachings from the Quran and the Hadith of the founders of the four schools of Islamic jurisprudence (see

Financial Times Tuesday April 24 1984

below). Sharinh: literally " the way "--- the rule for all aspects of life. Islamic law based on the Quran and the Hadith. The Starlah was interpreted in the entry days of Islam by four jurists in chronological order Abu Hanifa al Noaman, Malik hin Anas, Mohammad bin Idris as Shafi, and

Anas, Mohammad bin Idris as Shaii, and Ahmed bin Hanbal. These men founded the Hanifi, Maliki, Shafi and Hanbali schools of jurisprudence. The school taught by Mohammad bin Abdul-Wahab and used since in Saudi domains is that of Ahmed bin Hanbal, This is the strictest of the four schools, then the to guite aclastic Hanbali

This is the strictest of the four schools, though it is quite eclectic. Hanbali judges can draw on the opinions of judges of other schools. The Shias of the Eastern Province esponse the Jaafari school of jurispru-dence which is very different from the Sunil achools. Faive: a legal opinion. The process of giving legal opinions is litah. Dawa: preaching or Islamic call. In Saudi Arabia the term normally refers to missionary activity. In Irac the banned

missionary activity. In Iraq the banned Shia political organisation is the Dawa

Islamic doctrine that rulers should consult their people in order to obtain consensus (iima') in the Muslim com-

consensus (ima) in the Muslim com-munity (mama). Selast: prayers, There are five prayers in the day: Fair-at sunrise, Doh'r-at midday, Asar-the afternoon prayer when the sun is half way between its beight and setting, Maghrib-when the sun falls below the horizon, and Isha-when it is completely dark.



At the heart of the Muslim world: a pligrim places his head inside the protective silver sheath to kiss the black stone placed at a corner in the Ka'aba in Mecca by the Prophet Mehammed

....

2.5

 $(2^{n+1}, 2^{n+1})$

......

22.3

. . . .

77.1

WHEN I $\mathbb{V}_{2^{n}} \geq \mathbb{V}$

42.12

S 2 ... -i -- i -203 24 4777 - 2

2

ीराइ ट

Rest to

N N AN

Kan bo

Set set

stat me

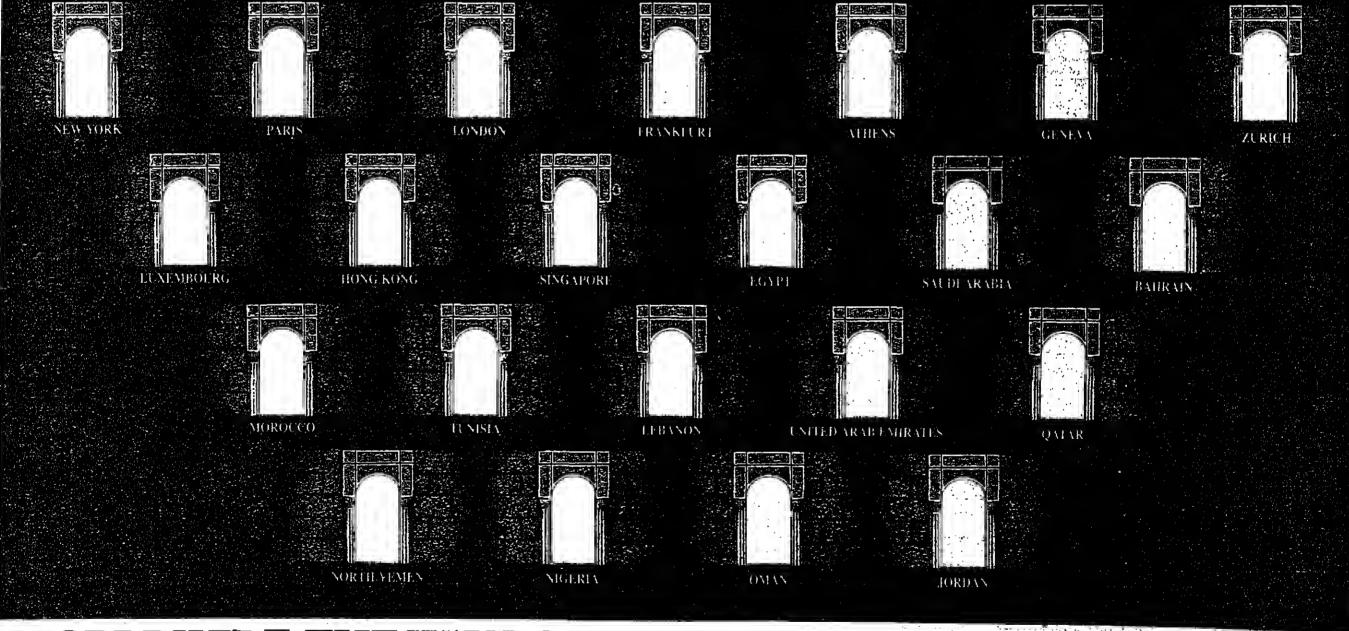
St Ger

ACK N. A. A. S. A.

Lurope Longe Longen Longen

4

2



WORLDWIDE, THE WAY TO ARAB BUSINESS IS THE ARAB BANK.

If you plan to do business in the Arab world your strategy should include Arab Bank Limited.

Our focus is on Arab business. More than 100 of our branches and affiliated offices are concentrated in the Arab countries of the Middle East.

Nobody knows more about the subtleties of doing business there; we've

been at it for 54 years. Each of our branch managers is a specialist in his home country, steeped in the knowledge it takes to succeed there. And our network is worldwide, with branches in the major financial centers.

This means, for example, a Hong Kong or Singapore manufacturer can raise capital in London or Zurich or

New York, market products or services throughout the Arab world, and do it all through one bank. The Arab Bank.

With nearly \$12 billion in assets and five decades of growth and experience, we're one of the largest financial institutions in the Arab world. Our services range from the simplest funds transfer through the most complex trade and

project financings.

Get to know the Arab Bank. Call us in London (01) 606-7801; in Paris 359-34-34; in Athens 3255401; in New York (212) 715-9700.

Let us show you the way to Arab business.

ARAB BANK LIMITED